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SAN FRANCISCO PORT COMMISSION

Doreen Woo Ho, President
Kimberly Brandon, Vice President
Willie Adams, Commissioner
Leslie Katz, Commissioner
Mel Murphy, Commissioner

Monique Moyer, Executive Director
Phone: 415-274-0400; Fax 415-274-0412

Amy Quesada, Commission Secretary
Phone: 415-274-0406; Fax 415-274-0412

AGENDA **TUESDAY, APRIL 9, 2013** **3:15 P.M. OPEN SESSION**

PORT COMMISSION HEARING ROOM, SECOND FLOOR
FERRY BUILDING, SAN FRANCISCO CA 94111

PLEASE NOTE THE DATE & TIME OF THE MEETING

The Port Commission Agenda as well as Staff Reports/Explanatory Documents available to the public and provided to the Port Commission are posted on the Port's Website at www.sfport.com. The agenda packet is also available at the Pier 1 Reception Desk. If any materials related to an item on this agenda have been distributed to the Port Commission after distribution of the agenda packet, those materials are available for public inspection at the Port Commission Secretary's Office located at Pier 1 during normal office hours.

1. CALL TO ORDER / ROLL CALL

2. APPROVAL OF MINUTES – March 26, 2013

3. PLEDGE OF ALLEGIANCE

4. ANNOUNCEMENTS

GOVERNMENT
DOCUMENTS DEPT

APR - 4 2013

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- A. Announcement of Prohibition of Sound Producing Electronic Devices during the Meeting: Please be advised that the ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing of or use of a cell phone, pager, or other similar sound-producing electronic device.
- B. Announcement of Time Allotment for Public Comments: Please be advised that a member of the public has up to three minutes to make pertinent public comments on each agenda item unless the Port Commission adopts a shorter period on any item.

5. EXECUTIVE

- A. Executive Director's Report
 - Welcome to Commissioner Mel Murphy
 - Update on bird discouragement
 - Maritime Day – Sunday, April 28, 2013 from 10 a.m. to 5 p.m.
 - *Bay Crossings* April 2013 Edition
- B. Informational presentation on Pilot Donor Recognition Program for the Port of San Francisco at Piers 27/29.

6. MARITIME

- A. Informational presentation on the commercial maritime activities of San Francisco Bay Railroad located at 100 Cargo Way @ Pier 96 rail yard.

7. ENGINEERING

- A. Informational update on Pier 27 Cruise Terminal for use during the 34th America's Cup Events and other matters relating to the 34th America's Cup Events.

8. PLANNING AND DEVELOPMENT

- A. Informational presentation on Ferry Building Plaza Activation Proposal by Equity Office Partners.

9. FINANCE AND ADMINISTRATION

- A. Request approval of bond sale and supplemental appropriation for the first issuance of 2012 Clean and Safe Neighborhood Parks General Obligation Bond. (Resolution No. 13-16)

10. NEW BUSINESS

11. PUBLIC COMMENT

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. A member of the public has up to three minutes to make pertinent public comments before action is taken on any agenda item and during the new business/public comment period. It is strongly recommended that public comments be submitted in writing so they can be distributed to the Commissioners for their review. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

12. ADJOURNMENT

**FORWARD CALENDAR
(TARGETED COMMISSION MEETING, SUBJECT TO CHANGE)**

APRIL 23, 2013

	FACILITY/POLICY	ITEM	TITLE
1	Pier 70 Waterfront Site (Forest City)	Informational	Presentation on Forest City's term sheet for the Pier 70 Waterfront Site
2	Pier 27	Informational	Presentation regarding the James R. Herman Cruise Terminal business model for cruise terminal operations, special event and parking management
3	Portwide	Action	Approval of (1) proposed 2013 Port Revenue Bonds for Phase II of the James R Herman Cruise Terminal project, (2) an appropriation ordinance to reallocate Series 12A and 12B Certificates of Participation and 2010 Port Revenue Bonds Series 9B to the James R Herman Cruise Terminal project and to other critical capital projects
4	Portwide	Action	Authorization to advertise a Request for Qualifications (RFQ) soliciting As-Needed Environmental and related Professional Services for three contracts at \$1 million each, totaling \$3 million

MAY 14, 2013

	FACILITY/POLICY	ITEM	TITLE
1	Piers 30-32	Informational	Presentation on updated architectural renderings for the Piers 30-32 Multi-Purpose Venue Project
2	Pier 27	Informational	Presentation introducing the cruise terminal, special event, and parking management team bidders for the James R. Herman Cruise Terminal
3	Pier 70	Action	Approval of Forest City's term sheet for the Pier 70 Waterfront Site
4	Fisherman's Wharf	Action	Approval of a resolution replacing Port Commission Resolution 95-56 to approve street artists spaces for the Fisherman's Wharf area under the City's Street Artist Program and adopting conditions and limitations on such use
5	Fisherman's Wharf	Action	Approval of an amendment to the Street Performer Program for the Fisherman's Wharf area
6	Islais Creek	Action	Authorization to apply for accept and expend a grant from the California Coastal Conservancy

			for \$616,534 to reconstruct the Copra Crane and for the removal of piles and decking in Islais Creek at the terminus of Indiana Street
7	Pier 9	Action	Approval of Lease No. L-14935 with Hornblower Yachts, Inc., a California corporation, for a five-year lease with one five-year extension, for premises located at Pier 9 South, on The Embarcadero at the foot of Vallejo Street

MAY 28, 2013

	FACILITY/POLICY	ITEM	TITLE
1	Portwide	Informational	Presentation regarding the Fiscal Year 2013-14 Monthly Rental Rate Schedule, Monthly Parking Stall Rates, Special Event and Filming Rates, and the Port of San Francisco's Standard Real Estate Leasing Policy and Procedures
2	Brannan Street Wharf	Informational	Update regarding the Brannan Street Wharf project, located along the Embarcadero Promenade between Pier 30-32 and Pier 38, at Brannan Street
3	Heron's Head Park at Cargo and Jennings Street	Action	Request authorization to negotiate and execute a Mutual Termination Agreement with Literacy for Environmental Justice for termination of Lease L-13816, which includes the "EcoCenter at Heron's Head Park" and surrounding 6,058 square feet of non-exclusive license area, subject to Board of Supervisors approval of the Mutual Termination Agreement
4	Pier 27	Action	Authorization to negotiate the James R. Herman Cruise Terminal management agreement with the highest ranked management team bidder

JUNE 11, 2013

	FACILITY/POLICY	ITEM	TITLE
1	Pier 27	Informational	Presentation of the business terms negotiated with the highest ranked James R. Herman Cruise Terminal management team bidder
2	Pier 38	Informational	Presentation introducing the bidders for the rehabilitation of Pier 38
3	Portwide	Action	Approval of the Fiscal Year 2013-14 Monthly Rental Rate Schedule, Monthly Parking Stall Rates, Special Event and Filming Rates, and the Port of San Francisco's Standard Real Estate Leasing Policy and Procedures

JULY 9, 2013

	FACILITY/POLICY	ITEM	TITLE
1	Portwide	Action	Authorization to award the contract for As-Needed Environmental and related Professional Services for three contracts at \$1 million each, totaling \$3 million
2	Pier 27	Action	Approval of the James R. Herman Cruise Terminal management agreement with the highest ranked management team

DATE TO BE DETERMINED

	FACILITY/POLICY	ITEM	TITLE
1	South Beach	Action	Port Commission's consideration of agreements between the Port Commission and the Successor Agency to mutually terminate 13 ground leases in the South Beach project area and set business terms for the transfer of the South Beach Harbor Program.
2	Portwide	Action	Approval to enter into agreements with the San Francisco Municipal Transportation Agency and the regional bike share program operator to use Port property for the Bay Area Regional Bike Share Pilot Program
3	SWL 351	Action	Approval of resolution recommending that the Board of Supervisors form a City and County Infrastructure District No. 2 and adopt the Infrastructure Financing Plan included in Appendix C which will capture tax increment from the Seawall Lot 351 project (commonly known as the 8 Washington Street project) for site open space improvements, the Cruise Terminal project, under-pier utilities and pier substructure repairs; and authorizing the Port's Executive Director to enter into a Memorandum of Understanding with the City and County of San Francisco acting through the Controller's Office to implement the District
4	Pier 70	Action	Approval of Federal Cost Sharing Agreement between the Port of San Francisco and the U.S. Army Corps of Engineers for study of the Central Basin Dredge Project

APRIL/MAY 2013
CALENDAR OF UPCOMING PORT MEETINGS – OPEN TO THE PUBLIC

DATE	TIME	GROUP	LOCATION
April 23	2:00 PM Closed Session	Port Commission	Port Commission Hearing Room at the Ferry Building
	3:15 PM Open Session	Port Commission	Port Commission Hearing Room at the Ferry Building
May 14	2:00 PM Closed Session	Port Commission	Port Commission Hearing Room at the Ferry Building
	3:15 PM Open Session	Port Commission	Port Commission Hearing Room at the Ferry Building
May 28	2:00 PM Closed Session	Port Commission	Port Commission Hearing Room at the Ferry Building
	3:15 PM Open Session	Port Commission	Port Commission Hearing Room at the Ferry Building

NOTES:

The San Francisco Port Commission meets regularly on the second and fourth Tuesday of the month at 3:15 p.m., unless otherwise noticed. The Commission Agenda and staff reports are posted on the Port's Website @ www.sfport.com. The Port Commission meetings can be viewed online at http://sanfrancisco.granicus.com/ViewPublisher.php?view_id=92. The Port Commission meetings are also broadcasted on the 2nd & 4th Thursday of the month at 9 p.m. on Comcast Cable Channel 26 or Astound Cable Channel 78 (formerly RCN Cable). Contact Amy Quesada at 274-0406 or amy.quesada@sfport.com

The Fisherman's Wharf Waterfront Advisory Group (FWWAG) meets regularly on a bi-monthly basis, on the third Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47 at Fisherman's Wharf. Contact Rip Malloy @ 274-0267 or rip.malloy@sfport.com

The Maritime Commerce Advisory Committee (MCAC) meets every other month, on the third Thursday of the month, from 11:30 a.m. to 1:00 p.m. @ Pier 1. Contact Jim Maloney @ 274-0519 or jim.maloney@sfport.com

The Mission Bay Citizens Advisory Committee meets on the second Thursday of the month at 5:00 p.m. in the Creek Room at Mission Creek Senior Building located at 225 Berry Street in San Francisco (along the Promenade just beyond the library.) Contact Catherine Reilly at the former Redevelopment Agency @ 749-2516 or catherine.reilly@sfgov.org

The Northeast Waterfront Advisory Group (NEWAG) meets regularly on a bi-monthly basis on the first Wednesday of the month from 5:00 p.m. to 7:00 p.m. in the Bayside Conference Room @ Pier 1. Contact Jonathan Stern @ 274-0545 or jonathan.stern@sfport.com

The Central Waterfront Advisory Group (CWAG) meets monthly on an as-needed basis, generally on the third Wednesday of the month from 5 to 7 p.m. in the Bayside Conference Room at Pier 1. Contact Mark Paez @ 705-8674 or mark.paez@sfport.com

The Southern Waterfront Advisory Committee (SWAC) meets every last Wednesday of the month from 6:15 to 8:15 p.m. Location to be determined. Contact David Beaupre @ 274-0539 or david.beaupre@sfport.com

The Waterfront Design Advisory Committee (WDAC) meets jointly with the Design Review Board of the Bay Conservation and Development Commission on the first Monday of the month at BCDC, 50 California Street, Rm. 2600, at 6:30 p.m. The Committee meets as needed on the fourth Monday of the month at 6:30 p.m. in the Bayside Conf. Rm. @ Pier 1. Contact Dan Hodapp @ 274-0625 or dan.hodapp@sfport.com

ACCESSIBLE MEETING INFORMATION POLICY

FERRY BUILDING:

The Port Commission Hearing Room is located on the second floor of the Ferry Building. The main public entrance is from the west (Embarcadero) side and is served by a bank of elevators adjacent to the historic staircase. Accessible public restrooms are on the first floor at the northeast end of the building as well as on the second floor across the lobby from the Port Commission Hearing Room. The main path of travel to the Port Commission Hearing Room is equipped with remote infrared signage (Talking Signs). The Port Commission Hearing Room is wheelchair accessible. Accessible seating for persons with disabilities (including those using wheelchairs) is available. The closest accessible BART and MUNI Metro station is Embarcadero located at Market & Spear Streets. Accessible MUNI lines serving the Ferry Building area are the F-Line, 9, 31, 32 and 71. For more information about MUNI accessible services, call (415) 923-6142. The nearest accessible parking is provided in the following off-street pay lots: 3 spaces in the surface lot on the west side of the Embarcadero at Washington Street.

Hourly and valet parking is available in the Pier 3 lot. This lot is accessed through the Pier 3 bulkhead building entrance on the east side of the Embarcadero. This lot is located on the pier deck; adjacent to the ferry boat Santa Rosa. Additional covered accessible off-street pay parking is available in the Golden Gateway Garage, which is bounded by Washington, Clay, Drumm and Battery Streets. Entrance is on Clay St. between Battery and Front Streets. There is no high-top van parking. Metered street parking is available on the Embarcadero, Washington, Folsom & Drumm Streets.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

A sign language interpreter and alternative format copies of meeting agendas and other materials can be provided upon request made at least 72 hours in advance of any scheduled meeting. Contact Wendy Proctor, Port's ADA Coordinator, at 274-0592, the Port's TTY number is (415) 274-0587.

Know Your Rights Under the Sunshine Ordinance:

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Sections 67.1 et seq. of the San Francisco Administrative Code) or to report a violation of the ordinance, contact Chris Rustom by mail: Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102-4689; by phone at (415) 554-7724; by fax at (415) 554-7854 or by email at sof@sfgov.org. Citizens interested in obtaining a free copy of the Sunshine Ordinance can request a copy from Mr. Rustom or by printing Sections 67.1 et seq. of the San Francisco Administrative Code on the Internet, at <http://www.sfgov.org/sunshine>.

NOTICES

Prohibition of Ringing of Sound Producing Devices:

The ringing of and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic device.

Lobbyist Registration and Reporting Requirements:

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (SF Campaign & Government Conduct Code Sections §2.100 – 2.160) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 30 Van Ness, Suite 3900, San Francisco, CA 94102, phone (415) 581-2300 or fax (415) 581-2317; web site: www.sfgov.org/ethics.



MEMORANDUM

April 4, 2013

TO: MEMBERS, PORT COMMISSION
Hon. Doreen Woo Ho, President
Hon. Kimberly Brandon, Vice President
Hon. Willie Adams
Hon. Leslie Katz
Hon. Mel Murphy

FROM: Monique Moyer
Executive Director *M Moyer*

SUBJECT: Informational presentation on Pilot Donor Recognition Program for the Port of San Francisco at Piers 27/29

DIRECTOR'S RECOMMENDATION: Informational Only

Introduction

The Port of San Francisco (Port) has capitalized on the planning and preparing for the America's Cup through strategic investments in the waterfront. *OneSF: Celebrating the Cup*, a joint initiative of the City and County of San Francisco (City) and the San Francisco America's Cup Organizing Committee (SFACOC), proposes to extend that strategy to encourage the financial support of individuals, families and local businesses for the benefit of the Port and the City through a program commemorating such funders at facilities at Piers 27/29. This informational presentation is to solicit the Port Commission's and the public's feedback and guidance to finalize the pilot program, which is being modeled after other similar programs in the City at cultural, community and public spaces and parks.

Background

The SFACOC was established in 2010 to support the City's bid to bring the 34th America's Cup ("AC34") to San Francisco. In 2011 it secured its tax-exempt 501c3 status, hired staff and expanded its membership to include 75 community and corporate leaders to help the City fulfill its commitments to the bid. Over the last two years the SFACOC has implemented a philanthropy-based fundraising program to help defray the City's and the Port's planning and hosting costs, and contributed key community expertise to the drafting of the event implementation plans. To date the SFACOC has reimbursed \$6.8 million of the City's and the Port's AC34 expenses. In view of the ongoing fundraising need for the City's costs in

This Print Covers Calendar Item No. 5B

hosting AC34, the SFACOC and the City launched *OneSF – Celebrating the Cup*, which includes three fundraising pillars – expanding the individual/family/foundation philanthropy program, establishing a local corporate partner program and developing the donor recognition program described here.

The new Exploratorium, California Academy of Sciences, Legion of Honor, de Young Museum and Davies Symphony Hall, among many cultural institutions, have utilized similar programs to attract funders. In these facilities, donor recognitions have been placed on staircases, alcoves, lounges, exhibits and other spaces displaying the names of many generous San Francisco Bay Area philanthropic families and local businesses. Likewise, parks and community centers have employed similar donor recognition programs in which tree groves or benches or facilities have been memorialized with a plaque recognizing an individual, a family or remembering those who have passed, or celebrating an important milestone or community contribution. Most of the City's cultural and public institutions have formal and ongoing donor recognition programs to recognize past donations or gifts, such as a contribution to a capital campaign, or as an ongoing source of revenue.

The San Francisco Recreation and Parks Department has a partnership with the San Francisco Parks Alliance (a non-profit), whereby the Parks Alliance administers donor recognition assets within San Francisco's parks with the donations enhancing parks and recreation centers in San Francisco. Drawing upon best practices and following the San Francisco Recreation and Parks Department's gift recognition guidelines, the proposed pilot seeks to raise funds from local donors and in turn recognize those gifts with plaques on benches, planters, or inside the James R. Herman Cruise Terminal in limited, but valued locations, as discussed below.

As the event approaches and community interest and support builds, the SFACOC would like to leverage this enthusiasm to create current and ongoing benefits for the Port and the citizens and visitors who enjoy San Francisco's waterfront by implementing this program to recognize contributors to the *OneSF: Celebrating the Cup* fundraising campaign within and on facilities/outdoor features located at Piers 27/29. The SFACOC team is working closely with the Port staff to identify appropriate locations that would be eligible for the program. The proposal is to use key assets within the James R. Herman Cruise Terminal building, exterior spaces on Piers 27/29, and the Northeast Wharf Plaza to recognize local donors for their contributions. Specifically, the recognition assets under consideration include:

- Sites within the James R. Herman Cruise Terminal – the inside staircase, the second floor waiting room and event and lounge spaces
- Exterior space on Piers 27/29 – the open space at the east end of the piers
- Sites within the Northeast Wharf Plaza: the grove, the walkway, the benches, the lawn, and a community brick program within the walkway.

SFACOC, Port and City staff look forward to hearing the Port Commission's and the public's thoughts and ideas regarding the pilot donor recognition program and the above considerations.

Funding

Funds raised through donations to the *OneSF: Celebrating the Cup* donor recognition program at Piers 27/29 would be distributed to the Port to pay certain costs in respect of the Port's AC34 expenses prompted by event-related activity on the Port waterfront, including payments to the City for event-related services. Program revenues available to the Port would be net of the expenses to implement the program. Such associated expenses would include costs specific to market/promote the program and production and installation of the recognition components (the benches, as well as plaques on the benches/walls/planters, etc.).

Until the donor recognition assets are finalized and the program is in the market for contributions it is difficult to ascertain the total potential revenue to be derived from the program. However, one specific example pertains to recognitions placed on benches. When completed, there are anticipated to be 60 benches within the designed Northeast Wharf Plaza. If each were available to recognize a \$25,000¹ contribution, \$1,500,000 would be generated before payment of expenses. The cost of the benches, installation, plaques, etc. is estimated at \$300,000-\$400,000. The program conservatively could realize \$1.1-\$1.2 million from this set of commemorative assets. The typical "guaranteed term" of a commemorative bench is 10 years, the normal life cycle of an outdoor bench in San Francisco. If the program is utilized again when the benches need to be replaced and their associated donor terms expire, the Port could realize additional monies from future contributions. The Department of Recreation and Parks utilizes a similar donor recognition program with benches which is administered by the San Francisco Park's Alliance. As noted above, the SFACOC was created to engage in a philanthropic fundraising program to reimburse the City for a portion of the City's costs to host AC34. On June 5, 2012, the City entered into a Memorandum of Understanding with the SFACOC which governs the transfer of funds raised by the SFACOC to the City.

It is anticipated that a few of the Port's prime recognition assets could potentially have an aggregate contribution value in excess of a million dollars each. Additionally, the SFACOC, Port and City team also proposes to offer bricks/tiles/pavers or a similar lower price point program that would be on par with other brick/tile/paver recognition programs in San Francisco, recognizing contributions of a lower order of magnitude (i.e. under \$500). While the impetus of the program is to generate funds for the Port, the team is giving considerable thought to creating a program that will engender broad and personal identification with the waterfront for all San Francisco Bay Area residents who wish to participate.

This program is proposed as a "pilot" program to test the potential interest for an ongoing donor recognition program located at other public spaces and parks along the waterfront. The SFACOC has assumed the lead role in creating and initiating the pilot program on behalf of the Port and the City. However, the SFACOC was established to assist the City in preparing for and hosting AC34 and its existence beyond fulfillment of that mission is unknown. All components of this pilot program and the fulfillment

¹ \$25,000 is the contribution cost for benches at the Palace of Fine Arts, Union Square and Harding Park

process will be structured and funded to be completed without the SFACOC's direct oversight on a long-term basis. That is to say, once the facilities at Piers 27/29 are returned to the Port following the AC34 event and the Northeast Wharf Plaza is built, installation of any of the recognition components will already be taken into consideration, funded and the associated work plan finalized with Port staff. Should the pilot program be a success and the Port wish to expand it, the SFACOC will work with Port staff to implement a partnership in perpetuity with the appropriate non-profit organization or similar partners.

Schedule

The SFACOC, Port and City team is seeking feedback to finalize this program so the interest of local residents and international visitors alike can be captured during the height of the AC34 events this summer. Ideally, the pilot donor recognition program would be marketed to contributors well in advance of the opening AC34 ceremony on July 4, 2013. The immediate next steps would include:

1. With the Port Commission's feedback, the SFACOC working closely with Port and City staff would finalize the assets for the program before the end of April, 2013;
2. Based on the number of assets and market interest, the SFACOC, Port and City staff would formalize the program and associated budget and return to the Port Commission for its full approval within the next 30-60 days; and
3. Implementation of the recognition elements (bricks/tiles/pavers, etc.) would be installed after the AC34 event and in conjunction with Phase 2 of the Cruise Terminal project and the build out of the Northeast Wharf Plaza.

Summary

The SFACOC has endeavored to support the City in many facets of its planning, preparing and hosting of the 34th America's Cup. This donor recognition program is an extension of that mission and is focused on generating specific revenues for the Port. What better way to offer the community a way to join the City in investing in the waterfront – a great cultural resource for all San Franciscans – than leveraging an asset that is one of the new crown jewels of the waterfront, the James R. Herman Cruise Terminal and associated public spaces. With the Port Commission's guidance, the SFACOC, City and Port staff can develop and implement a pilot program that will not only raise revenue but also further engender the larger community's investment and association with the waterfront.

Prepared by: Kyri McClellan, SF America's Cup Organizing Committee

Michael Martin, Office of Economic & Workforce Development



MEMORANDUM

April 4, 2013

TO: MEMBERS, PORT COMMISSION
Hon. Doreen Woo Ho, President
Hon. Kimberly Brandon, Vice President
Hon. Willie Adams
Hon. Leslie Katz
Hon. Mel Murphy

FROM: Monique Moyer *M Moyer*
Executive Director

SUBJECT: Informational presentation on the commercial maritime activities of San Francisco Bay Railroad located at 100 Cargo Way at Pier 96 rail yard

DIRECTOR'S RECOMMENDATION: Informational Item - No Action Required

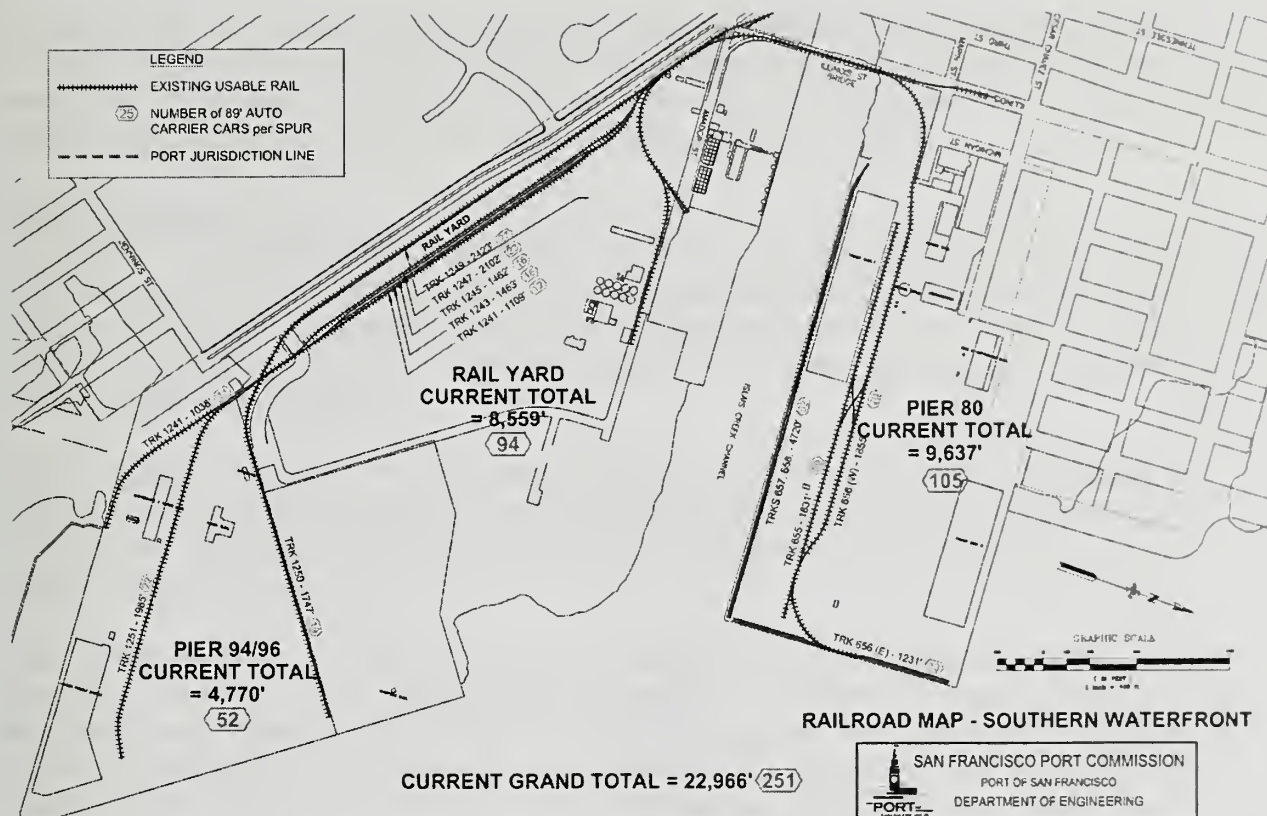
Background

San Francisco Bay Railroad (SFBR) has been a tenant of the Port of San Francisco (Port) since the early 1990s. In 2000 the Port entered into an operating agreement with SFBR to become the shortline railroad for the Port. Under the agreement, SFBR is responsible for interchanging railcars to and from the Port with the Union Pacific Railroad from the peninsula mainline and for maintaining the Port's rail infrastructure, including the Port's two ALCO locomotives which they restored in 2002.

Freight rail access is critical to the Port's cargo business. The Port's geographic location at the end of a peninsula has historically provided challenges moving cargo by rail, especially after rail-freight-ferry service across the San Francisco Bay was discontinued. Structural impediments such as tunnels which restrict heights and widths have provided additional challenges, as has the competing peninsula commuter rail service provided by Caltrain. The Port is served by the Union Pacific Railroad based in Omaha, Nebraska.

SFBR controls and maintains 10,000 feet of storage track at the Cargo Way rail yard and 25,000 feet of total Port track in the Port's Piers 80-96 Maritime Industrial Complex, offering a capacity of approximately 250 railcars (89-ft cars). SFBR owns and operates a fleet of 300 railcars.

THIS PRINT COVERS CALENDAR ITEM NO. 6A



The Port of San Francisco's freight rail infrastructure

History of the Port's Railroad

The State Belt Railroad of California was a shortline that served the Port of San Francisco until the 1980s. The Port's tracks extended the length of the Embarcadero from south of Market Street to Fort Mason and the Presidio. The first trackage of the State Belt Railroad was built by the Board of State Harbor Commissioners in 1889. At that time, the lands along the waterfront were controlled by the State, not the City.

The original tracks were dual-gauged to allow transfer of narrow gauge freight cars from the North Pacific Coast R.R. (Marin County) and the South Pacific Coast R.R. (Alameda, Santa Clara, Santa Cruz counties) as well as standard gauge cars. These first tracks did not yet connect to the outside world. Instead all cars were ferried in from around the San Francisco Bay. Belt tracks finally connected with Southern Pacific tracks on the Peninsula in 1913 at a small interchange yard located at Townsend and Berry Streets.

The State Belt Railroad's ferry slips were located near Fisherman's Wharf. The railroad transferred cars from the Santa Fe, the Northwestern Pacific, and the Western Pacific Railroads. In the 1920s the Santa Fe built its own car ferry operation in China Basin, and State Belt Railroad tracks were extended over Third Street and the Mission Creek drawbridge to make a connection.

Operations slowly wound down with the advent of containerization when much of the area's cargo shipping moved to Oakland. In 1969 the State transferred responsibility of

the operation of the Port to the City of San Francisco thus the State Belt Railroad became the San Francisco Belt Railroad. By 1992, most trackage north of Mission Bay was gone or inactive. The only rail activity took place at the container handling facility at Piers 94-96, and this container service was discontinued in 1998.

Illinois Street Bridge

In an effort to modernize and streamline the Port's remaining rail infrastructure, the Port with the help of Federal transportation funding constructed the Illinois Street Multi-modal Bridge. The bridge provides a conduit for on-dock rail to the Port's cargo terminal at Pier 80 and also provides an alternative route for trucks leaving the cargo terminals in the southern part of the city.

The bridge improves rail and truck access for cargo transport between the Port's northern and southern terminals and reduces industrial traffic from Port activities on Third Street, particularly truck trips that would otherwise congest the intersection of Third Street and Cargo Way.

The rail bridge to Pier 80 opens the door for additional cargoes that do not stay in the Bay Area. Steel and other project cargoes destined for inland construction projects will be able to discharge their cargo in San Francisco and deliver them directly by rail to their final destinations. Conversely, large construction projects in San Francisco can receive heavy and bulky construction materials by rail. Freight rail is an important transportation mode for delivering goods - one freight rail car of goods can eliminate up to eight trucks on Bay Area roadways.

San Francisco Bay Railroad Operations

SFBR helped reinvigorate the Port's rail operations. SFBR handles the logistics for more than 3,000 railcars and tracks each of these railcars daily to assure their customers that they reach their destinations on time. SFBR has operated joint facilities with the Port, Union Pacific Railroad and other shortlines such as the Richmond Pacific Railroad in Richmond and the California Northern Railroad at Mare Island.

SFBR routinely works with multiple agencies and stakeholders including the Port, City of San Francisco, Union Pacific Railroad, Caltrain, Muni, the California High-Speed Rail Authority and the Peninsula Freight Rail Users Group (PFRUG). The latter is a group of freight rail stakeholders on the Peninsula, including SFBR and the Port. Their primary work consists of advocating for continued and growing freight rail service on the Peninsula corridor especially in light of Caltrain's plans to electrify the corridor and California High-Speed Rail's plans to commence their own service along the corridor in the coming decades.

SFBR's working credo is "Efficiency-Sustainability-Community". Their facility employs and trains local community residents as engineers, conductors, and logistics managers. SFBR has an ongoing employee training program to ensure compliance with all federal, state and local laws, rules and regulations. They create railroad careers by feeding their trainees into the employment demand at

Class 1 railroads. SFBR and Waste Solutions Group¹ use local HRC-certified truckers for over 90% of their work.

Environmental Benefits of Transportation by Rail

SFBR has strived to be a good environmental steward. In 2004 they applied for and received two Bay Area Air Quality Management District Carl Moyer grants for engine replacements in their cranes. In 2005, with the cooperation of the California Air Resources Board they converted the Port locomotives to use biodiesel – the first railroad in the U.S. to do so. In 2007 they replaced toxic spraying of the rail yard weeds and vegetation with a herd of 60 goats.

In the 20 years since SFBR took over operation of the Port's rail facilities, they have shipped six million tons of waste-by-rail, reducing diesel fuel use by one million gallons and carbon dioxide by 22 million pounds.

Moving cargo by rail versus truck has a number of environmental benefits. These include:

- Freight rail is up to 88% more fuel efficient than trucks
- Freight rail reduces air pollution up to 90% versus trucks
- Freight rail reduces traffic congestion by taking trucks off the roads

Current Market Conditions, Challenges & Local Economic Benefit

Cargo movement by rail is a critical component of any port's capacity to grow its business. The Port of San Francisco remains challenged by our reliance on one mainline rail operator (Union Pacific Railroad), competing interests with commuter and possible high speed rail, and our geographic location. The heights of tunnels on the Caltrain mainline also prohibit the movement of automobile railcars, high-cube refrigerated railcars and double stack container trains to and from the Port effectively limiting the Port's participation in these markets. The Port does maintain the City's only rail industrial connection which, in addition to freight access, provides a vital link for emergency recovery from possible natural disaster.

SFBR and the Port have been collaborating to develop new rail-served cargo opportunities to and from the Port. One of the most exciting of these opportunities is a proposed bulk export facility at Pier 96 that would receive bulk cargoes, such as iron ore from mines in western states, and facilitate its loading to ships. SFBR and the Port have been actively collaborating with mining companies, terminal operators, rail design engineering firms and Union Pacific Railroad to develop plans for expanding the Port's rail capacity to efficiently and cost-effectively handle product for export. Challenges for developing this opportunity include the higher cost of railing the product to the Port versus other area ports due to our geography, and Caltrain's electrification plans which could impede freight operating windows during construction.

¹ Waste Solutions Group is an affiliated company of SFBR and specializes in the transfer, transport, and disposal of waste by rail. They are also headquartered at 100 Cargo Way at the Port of San Francisco.

SFBR's freight rail shipments to and from the Port have increased dramatically in the past few years, from 410 railcars in 2010 to 1,186 in 2011 to 1,950 in 2012, and SFBR expects that growth trend to continue. While the Union Pacific Railroad and Caltrain both have stated their commitment to protect freight rail access to the Port, SFBR and the Port are anxious to avoid any loss to freight rail capacity to and from the Port due to Caltrain's electrification plans, and would like our planned expansion to Port rail operations to be considered in Caltrain's planning.

The Port and SFBR have requested that Caltrain's planning analysis consider the importance of maintaining sufficient operating windows for current and future freight rail operations and affirm the protection of existing storage yards for freight railcars in South San Francisco and elsewhere on the corridor which are critical to support Port freight rail operations.

SFBR is collaborating with the general contractors of area development projects such as the Transbay Transit Center, Central Subway, Apple Computer's new headquarters, Hunters Point Redevelopment and Treasure Island Redevelopment to identify opportunities for serving the logistics needs of these projects by rail. They are also collaborating with the Port's future Pier 48 tenant, Anchor Brewing Company, to establish domestic distribution of beer by rail for the first time utilizing the Cargo Way rail yard.

Aging rail infrastructure has impeded SFBR and the Port from taking advantage of certain business opportunities. One of these impediments is the "Quint Street Lead" (QSL), which connects the Port to the Peninsula rail mainline. The QSL consists of antiquated signaling, track flow and weight capacity for handling today's locomotives. To rectify these issues, the Port in 2011 applied for and received a Federal Railroad Administration grant of \$2.97 million to redesign and make physical improvements to the QSL. The improvements will streamline access to and from the Port and facilitate the handling of locomotives and rail traffic in the markets that the Port is pursuing. Port staff anticipates that these improvements will be completed in 2014.

Summary

At the Port Commission meeting of October 23, 2012, Port Commissioner Willie Adams requested Port staff to provide informational presentations on the Port's maritime clients on a regular basis. San Francisco Bay Railroad's presentation is the latest in this series. The Maritime staff and its varied and interesting array of clients look forward to providing more of these types of reports to the Port Commission and the public in the future.

Prepared by: Jim Maloney, Maritime Marketing Manager

For: Peter Dailey, Deputy Director, Maritime



MEMORANDUM

April 4, 2013

TO: MEMBERS, PORT COMMISSION
Hon. Doreen Woo Ho, President
Hon. Kimberly Brandon, Vice President
Hon. Willie Adams
Hon. Leslie Katz
Hon. Mel Murphy

FROM: Monique Moyer
Executive Director *M Moyer*

SUBJECT: Informational update on Pier 27 Cruise Terminal for use during the 34th America's Cup Events and other matters relating to the 34th America's Cup Events

DIRECTOR'S RECOMMENDATION: No Action Required; Informational Item Only

OVERVIEW

On February 28, 2013 Turner Construction Company ("Turner") achieved Substantial Completion for Phase 1 of the James R. Herman Cruise Terminal building and the adjacent site, and the Port's Chief Harbor Engineer granted a Temporary Certificate of Occupancy (TCO) for the facility.

On March 18, 2013 Port and the America's Cup Event Authority ("Event Authority") entered into a license agreement for the facility to host the 34th America's Cup Events. During this period the Event Authority will construct temporary tenant improvements which will be removed at the end of the license period. The license for the Pier 27 Cruise Terminal building terminates October 31, 2013 and the license for the adjacent site terminates November 15, 2013.

Upon termination of the license, Turner will commence construction of Phase 2 of the project. Port staff anticipates hosting our first cruise ship at the Pier 27 Cruise Terminal by summer of 2014.

THIS PRINT COVERS CALENDAR ITEM NO. 7A

BUILDING STATUS AS OF MARCH 31, 2013

During the period from Substantial Completion to March 31, 2013, Turner worked to complete the construction punch list, commissioning training, and warranty and maintenance documentation. The status of the punch list items (see Attachment A hereto) indicates that most significant items have been completed with two exceptions: (1) energization of the shore power system and (2) installation of the "Port of San Francisco" roof sign and sign structural support system. The shore power system has been relocated in accordance with the Port's agreements with the Event Authority. However, energization, testing and commissioning cannot be completed until a cruise ship is hooked up in 2014. As such, this punch list item will not be completed prior to the hosting of the 34th America's Cup events.

Installation of the "Port of San Francisco" sign and structural support system is planned to commence in April 2013 and is scheduled for completion in June, 2013¹. A rendering of the sign is attached hereto as Attachment B.

HANDOVER OF THE FACILITY

The Port entered into a license agreement with the Event Authority on March 18, 2013. Initially, the scheduled March 1, 2013 handover of the property was delayed at the request of the Event Authority. The Event Authority staff was not yet prepared to begin tenant improvements, and did not want to assume responsibility for the space before necessary for commencement of work. On March 11, 2013, unresolved items surrounding work force development, prevailing wage and the "Port of San Francisco" sign to be erected on the roof of the cruise ship terminal delayed execution of the license for an additional week. By March 18, 2013, all outstanding items had been resolved with the exception of the Port sign. As such, the parties executed the license with this item left explicitly as *not agreed*, with reservation of all rights and intent to readdress the subject at a later date. The license for the Event Authority's use of the Cruise Ship Terminal terminates on October 31, 2013.

The Event Authority is responsible for proper care and maintenance of the building, though the Port has opted to retain additional protection for newly installed, warranty-sensitive building systems. At the Port's request, Turner has mobilized a facility maintenance engineer to perform preventative maintenance and ensure warranties remain intact for building systems including elevators, escalators, fire alarm and fire sprinklers. Turner is available on an hourly basis to the Event Authority for other needs as they arise.

As of the handover of the facility and until termination of the license, the Event Authority has full responsibility for site security.

¹ While roof sign support structure work is scheduled to move forward in early April, 2013, the Port and Event Authority are, as of the writing of this report, not in agreement regarding the date of erection of the sign itself. Port staff will provide any new information that arises at the Port Commission's April 9, 2013 meeting.

EVENT AUTHORITY BUILD OUT AND USE

On March 27, 2013, the Event Authority submitted drawings to the Port as a part of a Special Event permit application for tenant improvements inside the Cruise Ship Terminal building, making detailed plans public for the first time. A summary of planned uses follows below.

The Event Authority will use the entire upper floor exclusively for private corporate hospitality. The space will be divided into five large suites to which catering services will be provided, with suites reserved for various corporate partners at various times throughout the America's Cup schedule. Some partners will take out entire suites for entire race series, such as Charles Schwab and Lexus, both of whom will operate their own suites during the Louis Vuitton Final and America's Cup regattas. The Event Authority has contracted with Sports Mark Inc. to offer corporate hospitality packages to the San Francisco business community.

The lower floor will be 60 percent occupied by the America's Cup media center, which will support 350 domestic and foreign journalists. Facilities for each journalist will provide a work station space, access to private interview rooms and a seat in the America's Cup Press Conference Theater, also located in the media center. Most of the remaining space on the lower floor will be home to a "sports bar" which will be open to the public except for those times when it is reserved after hours for private functions. Additionally, a 5,000 square foot Nesspresso coffee lounge area will be available to the public during park operating hours.

The Event Authority will reserve the main entrance on the lower floor exclusively for guests of the VIP hospitality suites.

PHASE 2

Upon conclusion of the 34th America's Cup Event in November, 2013, the Port will start Phase 2 construction of the Project. This work will consist of finishing the remaining portions of the Cruise Terminal building including U.S. Customs and Border Protection facilities. In addition, the Phase 2 construction scope will include build out of the Northeast Wharf Plaza and North Point, the ground transportation area, apron and substructure repairs, installation of maritime equipment such as the mobile gangway system, fenders and bollards, and provision of miscellaneous furniture and equipment.

Design drawings have been completed and issued for a Port Building permit. In addition, prequalification of subcontractors has commenced. Bidding for the initial subcontractor bid packages is planned for May 1, 2013 with awards planned for mid-June 2013.

Review of a draft construction schedule is in progress and indicates that Turner can achieve substantial completion of building and site work in August, 2014. The schedule indicates completion of the mobile gangway system will take longer, however the Project Management Team is working to identify means and methods to condense its schedule.

Prepared by: Kim von Blohn, Project Director,
Engineering Division

and

Daley Dunham, Special Projects,
Executive Division

For: Ed Byrne, Chief Harbor Engineer
Engineering Division

and

Brad Benson, Special Projects
Manager, Executive Division

Attachments

A: Phase 1 Punch List Items and Status

B: Rendering of Port of San Francisco facility sign

ATTACHMENT A - Pier 27 Notice of Substantial Completion Outstanding Items Punchlist

No.	ITEM	Status - Date Complete/Notes
1	Guardrail Glazing at Stairs 5 & 6 *	2/25/2013
2	Permanent Evacuation Signage *	3/25/2013
3	Interior Auto Door 220D	To Be Done Phase 2
4	Ceiling Fascia Room 128 - MPC2	To Be Done Phase 2
5	Level 2 Wall Grilles (95% complete; outstanding 5%)	3/22/2013
6	Sectional Doors 130 F&E Track Incomplete	Change Order to add closure piece to wall 4/15/13
7	Millwork Pocket Door Cover	2/28/2013
8	Future Makeup air intake vents in Door 120A Portal	3/26/2013
9	Ships Water Connections along east pier	FDA insp. 3/25/13
10	Permanent Flooring in Elevators *	3/21/2013
11	Bird Control Mock up	3/27/2013
12	Door Monitoring Sensors	3/29/2013
13	Structural Support of "Port of San Francisco" Roof Sign *	To begin week of 4/8 pending permit
14	Shore Power Energization (Phase 2)	To Be Done Phase 2
15	Fascia panel at Escalator #3 *	Change Order to be complete 4/5/13
16	Fire Extinguisher Cabinets *	3/22/2013
17	Room 222 - CPB Coordination Center ADA Compliance *	TBD Phase 2 needs raised floor installed
18	FA Punchlist Items (Ken Cofflin) - All work to be complete within 60 days.	3/28/2013
	1) UL Certificate Application - signed & numbered.	3/22/2013
	2) Retest Elevator Speakers (both)	3/28/2013
	3) Add smoke detector to second floor electrical room EF 1-10 shut-down	3/28/2013
	4) Copy of Record of Completion from Intrepid	3/22/2013
	5) Retest all of the emergency lighting	3/27/2013
	6) Posting of permanent emergency egress map signs	3/25/2013
	7) Provide key box at fire alarm annunciator by front door with keys for elevators, all locked fire alarm panels / equipment, and door to electrical room where FACP is located.	3/27/2013
19	Not used	
20	ADA Remedial Punchlist Items *	3/29/2013
	1) Item 5 on 2/21/13 punchlist - Toilet dispenser exceeds 12" max distance	3/26/2013
	2) Item 7 on 2/21/13 punchlist - Doors 120B & 120C have dead bolts at 32" AFF.	3/28/2013
	3) Concourse Panel Pinch Point has large amount of flex	3/15/2013
	4) Southwest ramp infill curb design issue	3/15/2013
	* <i>Requires temporary interim provision</i>	
Life Safety and Accessibility Interim Provisions:		
Reference No.	ITEM	Date Complete/Notes
1	Temporary plywood infill panels are installed until plastic panels arrive.	2/25/2013
2	Temporary evacuation signs are in place until permanent ones arrive.	3/25/2013
10	Temporary flooring is installed until permanent floor arrives.	3/21/2013
13	Supports to be deferred to a future permit with sign.	To begin week of 4/8 pending permit
15	Temporary fascia is installed until permanent product arrives.	Change Order to be complete 4/5/13
16	Temporary extinguishers are installed until permanent cabinet are in place.	3/22/2013
17	Room will be locked and not used until Phase 2 occupancy.	TBD Phase 2 needs raised floor installed
19	Special Inspection Affidavits - See Turner letter dated 2/27/13	
20	All items will be corrected for final permit sign off. For item 20.3 - Metal reinforcing mullion has been ordered and will be installed when received.	3/26/2013



Phase 1 - Pier 27 Cruise Terminal / 03. 27. 2013
KANDARCHITECTS + PAULING +



MEMORANDUM

April 4, 2013

TO: MEMBERS, PORT COMMISSION
Hon. Doreen Woo Ho, President
Hon. Kimberly Brandon, Vice President
Hon. Willie Adams
Hon. Leslie Katz
Hon. Mel Murphy

FROM: Monique Moyer *M Moyer*
Executive Director

SUBJECT: Informational Presentation on Ferry Building Plaza Activation Proposal by Equity Office Properties

DIRECTOR'S RECOMMENDATION: No Action, Informational Presentation

Executive Summary

Equity Office Properties (EOP) is the master tenant of the Ferry Building, which includes the offices and Marketplace retail businesses, CUESA Farmer's Market, and Ferry Building Plaza ("Plaza") on the bayside of the Ferry Building (see also Exhibit A). As EOP and the City celebrate the 10th anniversary of the historic rehabilitation of the Ferry Building, EOP has been evaluating the use and opportunities for improvement of the Ferry Building Plaza. EOP proposes an 18-month pilot project to conduct various public events, observe user patterns and successes, improve Ferry Building loading and service operations, and provide for interim parking in the Plaza. EOP will make an informational presentation of its proposal at the April 9, 2013 Port Commission meeting.

Background

The Plaza is an important open space resource, especially well utilized for the highly successful and renowned Farmer's Market that takes place every weekend. It is an important public space in the Ferry Building area of the waterfront, but is underutilized during the week, and offers more opportunities for improvement, activation and public enjoyment. While it is designated for public access, the level and quality of improvements are modest and are not conducive to attracting large volumes of visitors absent activities such as the Farmer's Market. The area is utilized by ferry riders accessing the Golden Gate Ferry Terminal, valet customer drop-off for the One Ferry

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Plaza Restaurant & Lounge east of the plaza managed by Ferry Plaza Limited Partners, and supports loading and other service uses for the Ferry Building. In addition, BART has maintenance access provisions associated with the Transbay Tube.

EOP's lease of the Ferry Building and Plaza extends until April 9, 2067. They recognize the public value of the Plaza and the need to manage improvements to increase public use and enjoyment in a manner that also complements the ongoing retail businesses within the Ferry Building. In light of the adjacent Port tenant uses and operations, it is also recognized that any Plaza improvements must be closely coordinated to ensure they complement and improve the overall function and appearance of, and the complex of activities that also contribute to public enjoyment of the Ferry Building area. In considering options for improvements to the Plaza, EOP has set the following goals and operating expectations:

- 1) Ensure that Ferry Plaza remains a treasured and accessible public place;
- 2) Maintain Ferry Plaza in a clean and orderly fashion that makes it a safe and inviting place for people of all ages and incomes at all hours of the day, from sunrise to late night;
- 3) Activate the Plaza through thoughtful and judicious event management and cultural programming;
- 4) Promote publicly-accessible art, culture and musical events;
- 5) Ensure that Ferry Building Management attains operational self-sufficiency (revenues from Plaza use fees to cover operating expenses and generate a surplus for a long-term maintenance reserve); and
- 6) Ensure that private revenue-generating Permitted Activities do not interfere with ferry passenger commuting habits, access to Ferry Plaza Limited Partners property, and access to the Bay Trail.

Proposal

EOP is developing a Ferry Plaza Activation Plan that contemplates more events and activities, including concepts such as ice cream fairs, harvest festivals, and antique fairs that would be open to the public and available for special events. EOP proposes an 18-month pilot project which includes addition of new, movable furniture, relocation of the Gandhi statue, relocation of the fire hydrant, and a new waste management station. The pilot period would allow EOP to test the premise of the events, observe Plaza user patterns and interest, capture useful market research, foster community relationships and develop tenant involvement and accruing benefits. In creating new programming activities, EOP hopes to partner with local sponsors and businesses to assist with improvements to the Plaza that contribute to enhance public enjoyment of the Plaza.

During this pilot period, EOP proposes to create programming improvements, and best practices for managing deliveries, service vehicles and interim parking. EOP is

considering allowance for approximately 64 parking spaces on weekdays, roughly equivalent to the amount that was previously available at Pier ½, managed by parking attendants. Parking would be limited to the hours of 9 a.m. – 7 p.m., and parking durations would be limited to two hours. The objective of the Plaza activation is to create a better environment, add activities and give sufficient time for the Plaza to establish itself as a people-oriented destination (see Exhibit B). Ultimately, the improvements will help make parking become superfluous and truly incidental to the success of the place. In the meantime, an interim supply of parking will enhance public access, contribute to the economic vitality of the Ferry Building and the farmers markets, and create a source of revenue to help pay for maintenance and further improvements to the Plaza.

EOP proposes to observe user patterns and public engagement during the pilot period (Phase 1) to inform further improvements in two subsequent phases in 2015 and 2016. These include increased public access seating and furniture, bike station and support facilities, Plaza deck resurfacing, lighting and electrical improvements.

Next Steps

Port staff are pleased that EOP is taking the initiative to improve and enhance the Plaza as a more meaningful public space. EOP will provide a public presentation of its proposed Ferry Building Activation Plan at the April 9, 2013 Port Commission meeting to encourage Port Commission and public feedback. EOP has already met with staff of the Bay Conservation and Development Commission as well as members of the surrounding neighborhoods and businesses. As EOP's Plan takes form, EOP will return to a future Port Commission meeting to seek approval of any fundamental changes to the property or its Lease.

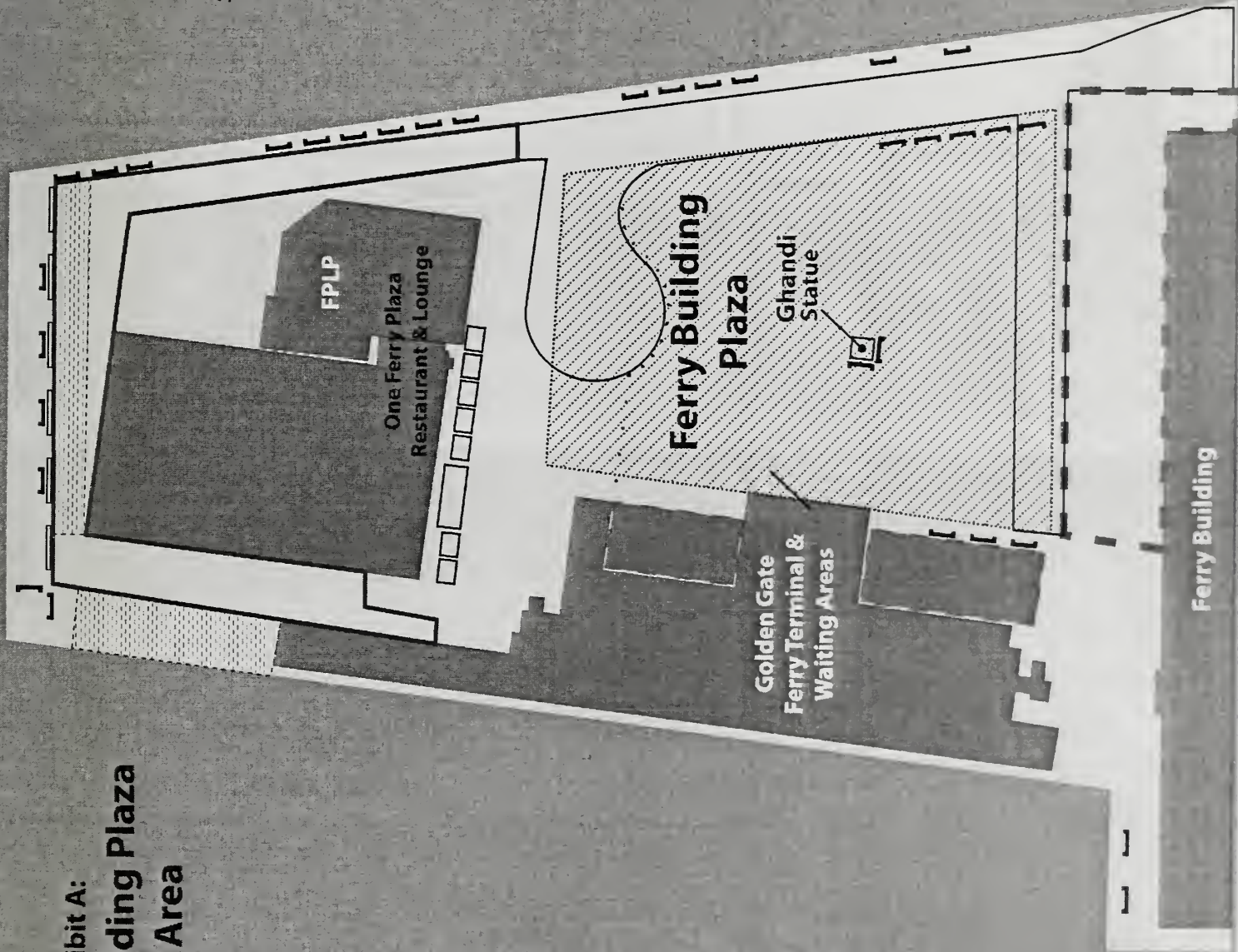
Prepared by: Diane Oshima
Assistant Deputy Director, Waterfront Planning

Exhibits:

- A Map of Ferry Plaza
- B Rendering of EOP Activation Plan

Exhibit A: Ferry Building Plaza Site Area

San Francisco Bay



Map Symbols

- Public Access Easement
- CUESA/EOP Sublease & BCDC Dedicated Public Access
- Access Easement (auto and pedestrian)
- Perimeter Easement (public access uses)
- Building Footprint
- Required Fire Lane
- Parking Area
- Proposed BART Barrier
- Bench

Ferry Plaza Programming Renderings:





MEMORANDUM

April 4, 2013

TO: MEMBERS, PORT COMMISSION
Hon. Doreen Woo Ho, President
Hon. Kimberly Brandon, Vice President
Hon. Willie Adams
Hon. Leslie Katz
Hon. Mel Murphy

FROM: Monique Moyer
Executive Director 

SUBJECT: Request approval of bond sale and supplemental appropriation for the first issuance of the 2012 Clean and Safe Neighborhood Parks General Obligation Bond

DIRECTOR'S RECOMMENDATION: Approve Attached Resolution

On April 24, 2012, the Port Commission adopted a resolution supporting Mayor Ed Lee's and the Board of Supervisors' placing of the 2012 Clean and Safe Neighborhood Parks Bond on the November 6, 2012 Electoral Ballot. In November 2012, San Francisco voters approved a \$195 million General Obligation bond measure entitled the *2012 San Francisco Clean and Safe Neighborhood Parks Bond* (the "2012 GO Bond"). The 2012 GO Bond includes \$34.5 million for waterfront parks and open spaces.¹

The ordinance that placed the 2012 GO Bond on the ballot describes the City's plans to repair and seismically upgrade areas along the City's waterfront to create new waterfront parks in various neighborhoods on property under the jurisdiction of the Port Commission, with the goal of providing safe and high quality parks, recreation facilities, and nature restoration. The Ordinance and the voter guide include examples of waterfront park projects that may be financed with 2012 GO bond proceeds, subject to environmental review.²

This Print Covers Calendar Item No. 9A

¹ The 2012 GO Bond of \$195,000,000 includes (a) \$158.5 million for Recreation and Parks Department projects, (b) \$34.5 million for Port projects, and (c) \$2.0 million for the Citizens' General Obligation Bond Oversight Committee (GOBOC) expenses and issuance costs.

² The Ordinance and voter guide include the following project examples: Islais Creek, Warm Water Cove, Agua Vista Park, Pier 43 Plaza, the Northeast Wharf Plaza, and Pier 70 Parks.

Port staff proposes the following project allocation:

Project	First Issuance*	Future Issuances	Total
Fisherman's Wharf Plaza	-	1,500,000	1,500,000
Northeast Wharf Plaza & Pier 27/29 Tip	17,000,000	-	17,000,000
Agua Vista Park	-	2,500,000	2,500,000
Crane Cove Park	-	8,000,000	8,000,000
Pier 70 Parks	600,000	1,400,000	2,000,000
Warm Water Cove Park	-	1,500,000	1,500,000
Islais Creek Improvements	600,000	1,400,000	2,000,000
Total	18,200,000	16,300,000	34,500,000

*This item is for approval of the first issuance. Future issuances will be subject to Port Commission and Board of Supervisors' review and approval.

The purpose of this item is to request Port Commission approval of allocations to the Northeast Wharf Plaza and Pier 27/29 Tip, Pier 70 parks, and Islais Creek improvement projects to be included in the City & County of San Francisco's first issuance of the 2012 GO Bonds scheduled for June of 2013. Port staff developed the proposed projects for the 2012 GO Bond after community outreach and input and as a way to build on and enhance the network of parks and open spaces delivered through the 2008 Clean and Safe Parks General Obligation Bond (the "2008 GO Bond"). The proposed first issuance reflects funds that are needed in the next two years and before the second sale, which is tentatively planned for late 2014. The slate of Port bond projects funded through the 2012 GO Bonds is planned to be completed over a period of approximately five years, beginning in early 2013 and concluding with the last project closeout at the end of 2017.

Project	Planning	Design	Construction	Total
2012 GO Bond Amount				
Phase Start Date			Project Completion Date	
Fisherman's Wharf Plaza	-	450,000	1,050,000	1,500,000
	April 2015	October 2015	January 2017	January 2018
Northeast Wharf Plaza & Pier 27/29 Tip	-	2,400,000	14,600,000	17,000,000
	June 2011	January 2012	January 2014	January 2015
Agua Vista Park	-	750,000	1,750,000	2,500,000
	July 2014	January 2015	April 2016	April 2017
Crane Cove Park*	-	-	8,000,000	8,000,000
	September 2011	October 2013	April 2015	October 2016
Pier 70 Parks	-	600,000	1,400,000	2,000,000
	October 2013	July 2014	October 2015	January 2017
Warm Water Cove Park	-	450,000	1,050,000	1,500,000
	July 2014	April 2015	July 2016	July 2017
Islais Creek Improvements	-	600,000	1,400,000	2,000,000
	October 2013	July 2014	January 2016	April 2017
All Projects	-	5,250,000	29,250,000	34,500,000

*Crane Cove Park will receive an additional \$13.0 million from other funds, including the 2008 Clean and Safe Parks General Obligation Bonds and rent payments from Transbay Cable dedicated to capital expenditures.

The following are descriptions of the projects recommended for inclusion in the first issuance of the 2012 GO Bonds and the amounts proposed to be allocated for each project in the first bond sale.³

Northeast Wharf Plaza & Pier 27/29 Tip

\$17,000,000

Project Scope. The Northeast Wharf Plaza at Pier 27 is expected to be a new 2.5 acre park bordering The Embarcadero Promenade, the Bay, and the new James R. Herman Cruise Terminal. The Plaza is expected to feature a large lawn for informal recreation and many places to enjoy the view of the Bay and cruise ships. The Pier 27/29 Tip is expected to be a public space for observation of ship provisioning and enjoying views across the Bay. The Northeast Wharf Plaza will complete the public space envisioned in the Port and San Francisco Bay Conservation and Development Commission plans for this part of the Northern Waterfront.

Site Description. The site is a triangle on Pier 27 bordered by the Bay, the Embarcadero Promenade and a central portion of the pier to be used for ground transportation by the new James R. Herman Cruise Terminal. The Pier 27/29 Tip is located at the far north end of the site, where Piers 27 and 29 converge.

The proposed sale would include \$4.1 million of reimbursement for architectural, engineering and construction work completed in Phase I for the Northeast Wharf Plaza and Pier 27/29 tip.

Pier 70 Parks

\$600,000

Project Scope. Pier 70 has a variety of open spaces planned including Slipways Park, Entry Plaza, Machine Shop Courtyard and Central Plaza. Each site has an opportunity to provide significant benefit to the Blue Greenway and allow the public to enjoy and learn about the history of Pier 70. The Port is working to identify which Pier 70 project can leverage additional resources to maximize benefits to Pier 70 and the community.

The \$600,000 proposed for funding from proceeds of the first sale will be used for design work. A future bond sale anticipated for the end of 2014 will fund construction.

Site Description. Pier 70 is located in the City's Central Waterfront, generally east of Illinois Street between Mariposa and 22nd Streets. It is an eligible National Register Historic District and is home to the nation's longest continually operated civilian ship repair yard. The Port has developed a plan to revitalize and reactivate the area to its historic activity level. The proposed plan includes a system of open spaces to complete a significant gap in the Blue Greenway, connect the site to the adjacent neighborhoods, and allow for site access and interpretation.

³ A summary of all proposed projects is included in the attached *San Francisco Clean & Safe Neighborhood Parks Bond Accountability Report of March 2013*.

Project Scope. Islais Creek Shoreline Access improvement is expected to complete the pathway system along the northern shore of Islais Creek from I-280 to Illinois Street. New public access would connect the Islais Creek Promenade at Tennessee Street to the historic Third Street Bridge. Improvements will include a new waterfront walkway and scenic look out points.

Site Description. This site is currently partially unimproved, but improvements would close a gap in the Islais Creek system of open spaces, the Blue Greenway, and Bay Trail.

Conclusion

In summary, Port staff has developed plans to create a network of waterfront parks and open spaces building on work already funded through the 2008 GO Bond. At this time, Port staff requests \$18,200,000 be included in the first bond sale of the 2012 GO Bond scheduled for June of 2013. Proceeds would be used for costs of the Northeast Wharf Plaza & Pier 27/29 Tip, and to fund design for Pier 70 Parks and Islais Creek Improvements.

Port staff will return to the Port Commission in 2014 to request additional 2012 GO Bond funding for (i) the construction of the Pier 70 Parks and Islais Creek Improvements upon the completion of required environmental review under the California Environmental Quality Act ("CEQA"), (ii) the design of the remaining Port parks projects, and (iii) the construction of the remaining Port parks projects upon completion of required environmental review under CEQA. Port staff expects a second bond sale to take place at the end of 2014.

Prepared by: Elaine Forbes, Deputy Director
Finance & Administration

Nate Cruz, Financial Analyst
Real Estate

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 13-16

- WHEREAS, On November 6, 2012 San Francisco voters approved a \$195 million Clean and Safe Neighborhood Parks General Obligation bond measure (the "2012 GO Bonds"); and
- WHEREAS, The 2012 GO Bonds include \$34.5 million for waterfront park projects on Port property; and
- WHEREAS, The City & County of San Francisco is planning the first issuance of the 2012 GO Bonds in June 2013; and
- WHEREAS, Port staff have identified \$18,200,000 to be included in the first 2012 GO Bond issuance for Port waterfront parks projects to fund: (1) design and construction of the Northeast Wharf Plaza & Pier 27/29 Tip; (2) the design of Pier 70 parks, and (3) the design of Islais Creek improvements; now, therefore be it
- RESOLVED, That the Port Commission hereby approves including \$18,200,000 in the City's first 2012 GO Bond issuance for waterfront parks projects on Port property; and, be it further
- RESOLVED, That the Executive Director of the Port, or her designee, are hereby authorized and directed to do all things necessary or desirable to accomplish the issuance of the 2012 GO Bonds and, in consultation with the City Attorney, to execute any and all documents required to carry out the purposes of this resolution.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of April 9, 2013.

Secretary

SAN FRANCISCO CLEAN & SAFE NEIGHBORHOOD PARKS BOND



PORT OF
SAN FRANCISCO

Bond Accountability Report
March 2013



To: Angela Calvillo, Clerk of the Board of Supervisors
Ben Rosenfield, City Controller
Jose Cisneros, Treasurer
Nadia Sesay, Director, Office of Public Finance
Harvey Rose, Budget Analyst

From: Monique Moyer, Executive Director, Port of San Francisco
Phil Ginsburg, General Manager, Recreation and Parks Department

Date: March 11, 2013

In accordance with Administrative Code 2.70, attached please find a copy of the 2012 San Francisco Clean and Safe Neighborhood Parks Bond Accountability Report. With the Issuance of this Report, the Recreation and Parks Department and the Port of San Francisco request approval to proceed with the sale of \$71,887,500 in General Obligation bonds. This is the first issuance of the \$195,000,000 in General Obligation bonds approved by voters on November 6, 2012 for the renovation, repair, and construction of parks and open spaces (Proposition B). This sale will be used to fund planning and design of seven Neighborhood Park projects, and the construction costs of five of those, as well as planning and design for three Citywide parks, planning and design for the Citywide programs, the planning and design of three Waterfront parks, and the construction of one Waterfront Park.

Of the total issuance amount of \$71,887,500 for the first sale, Recreation and Parks shall receive \$53,187,500 and Port of San Francisco shall receive \$18,200,000, and approximately \$500,000 shall be reserved for associated issuance and oversight costs.

Should you have any questions, please contact Dawn Kamalanathan, Director of Planning and Capital Management, at Recreation and Parks Department, 581-2544 or Elaine Forbes, Director of Finance and Administration at the Port of San Francisco, 274-0445.



San Francisco Clean and Safe Neighborhood Parks

Bond Accountability Report

March 2013

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EXECUTIVE SUMMARY

In November 2012, the citizens of San Francisco passed Proposition B, a \$195 million General Obligation Bond, known as the 2012 San Francisco Clean and Safe Neighborhood Parks Bond (the "bond"). This funding will continue a decade of investment in the aging infrastructure of our park system.

2012 San Francisco Clean and Safe Neighborhood Parks	
	Budget \$M
Neighborhood Parks	
Angelo J. Rossi Playground	8.2
Balboa Park	7
Garfield Square	11
George Christopher Playground	2.8
Gilman Playground	1.8
Glen Canyon Park	12
Hyde & Turk Mini Park	1
Joe DiMaggio Playground	5.5
Margaret S. Hayward Playground	14
Moscone Recreation Center	1.5
Mountain Lake Park	2
Potrero Hill Recreation Center	4
South Park	1
West Sunset Playground	13.2
Willie "Woo Woo" Wong Playground	6
Program Contingency	6
Issuance and Oversight	2
	99
Citywide Parks	
Lake Merced Park	2
Golden Gate Park	9
John McLaren Park	10
	21
Citywide Programs	
Community Opportunity Fund	12
Failing Playgrounds	15.5
Forestry	4
Trails	4
Water Conservation	5
	40.5
Waterfront Parks	
Fisherman's Wharf Plaza	1.5
Northeast Wharf Plaza & Pier 27/29 Tip	17
Agua Vista Park	2.5
Crane Cove Park	8
Pier 70 Parks	2
Warm Water Cove Park	1.5
Islais Creek Improvements	2
	34.5
TOTAL	\$195.0

Specifically, the bond allocates:

- \$99 million for Neighborhood Parks, selected based on community feedback, their physical condition, the variety of amenities offered, seismic safety risk, and neighborhood density
- \$21 million for Golden Gate Park, Lake Merced Park, and McLaren Park
- \$12 million for the Community Opportunity Fund
- \$15.5 million for Failing Playgrounds
- \$13 million for forestry, trails, and water conservation, and
- \$34.5 million for Waterfront parks and open spaces

Program Schedule

The slate of Bond projects is structured to be completed over a period of approximately six years, beginning in early 2013 and concluding with the last project closeouts in early 2018. The sequence of projects was developed to allow for site efficiencies, balance across districts, parity across facility types, allocation of workload resources, and to spread contracts out over time to improve competitive bidding, and to provide adequate workload capacity of Recreation and Park, Port, and Department of Public Works staff.

Bond Funding

The issuance of this report commences the process for the first sale of the bonds. Based on the project

schedules, the first sale will occur in May 2013, with proceeds available soon thereafter. The second sale is tentatively planned for late 2014, but the timing is dependent on numerous considerations related to management of our City's public finance program. The timing of subsequent sale(s) is not yet known.

Proceeds from the first sale will fund the planning and design of six Neighborhood parks, as well as the construction of five of those, and will partially fund early planning on five additional Neighborhood parks.

Allocation of First Issuance	
Neighborhood Parks	
Glen Canyon Park	11,700,000
Joe DiMaggio Playground	5,362,500
Balboa Park	6,825,000
West Sunset Playground	3,300,000
Mountain Lake Playground	1,950,000
South Park	975,000
Garfield Square	2,750,000
Gilman Playground	1,755,000
Moscone Recreation Center	10,000
Margaret S. Hayward	850,000
Willie Woo Woo Wong	600,000
George Christopher	10,000
Potrero Hill Recreation Center	25,000
Citywide Parks	
McLaren Park	2,500,000
Golden Gate Park	2,475,000
Lake Merced	1,000,000
Citywide Programs	
Community Opportunity Fund	1,900,000
Forestry	1,000,000
Trails	2,000,000
Water Conservation	1,200,000
Failing Playgrounds	5,000,000
Waterfront Parks	
Northeast Wharf Plaza & Pier 27/29 Tip	17,000,000
Pier 70 Parks	600,000
Islais Creek Improvements	600,000
Total to Projects	\$ 71,387,500
Issuance Costs and Oversight, est.	500,000
TOTAL ISSUANCE AMOUNT	71,887,500

The Citywide Parks will all get funding to begin planning and design work, and all of the Citywide Programs will also have an allocation from the first issuance to commence planning, design, and construction of the initial projects. On the Waterfront, three project sites will have an allocation for planning and design, and one of those will also receive construction funding. In total, the first allocation will provide funding for:

- 13 neighborhood parks
- three citywide parks
- five citywide programs, and
- three waterfront parks

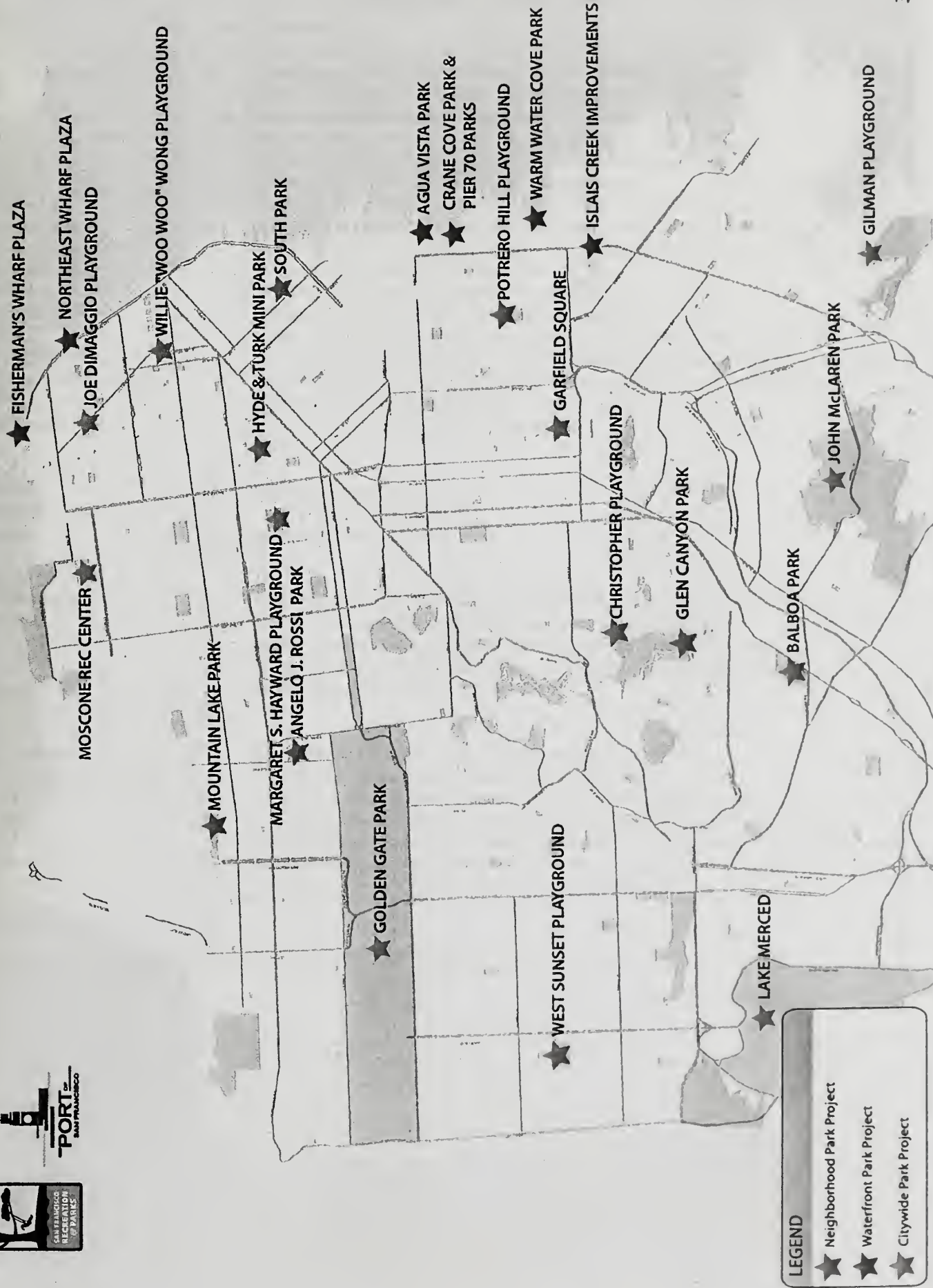
This investment in our park infrastructure will endure for decades, enriching City life for residents and visitors alike.

Accountability Measures

The 2012 San Francisco Clean and Safe Neighborhood Parks Bond is part of the City's Ten Year Capital Plan and will not result in new taxes. First adopted by the Mayor and Board of Supervisors in 2005, the Ten-Year Capital Plan is a constrained expenditure plan for city-owned facilities that ensures property tax rates from new general obligation bond debt will not increase above 2006 levels. The plan prioritizes basic, critical capital projects that impact public safety and well-being, place strong emphasis on

accountability and transparency, and most importantly, demonstrate the highest level of fiscal restraint and responsibility. The document guides policymakers to make strategic decisions about how to fund renewal, replacement, and expansion of capital assets. The Ten-Year Capital Plan marked a new, fiscally responsible and prudent approach to the City's debt management – one that ensures key investments in the City's much needed infrastructure. The City only sells new bonds as old bonds are repaid, and this will hold true for the 2012 Parks bond.

SAN FRANCISCO CLEAN & SAFE NEIGHBORHOOD PARK SITES



LEGEND

- ★ Neighborhood Park Project
- ★ Waterfront Park Project
- ★ Citywide Park Project

2012 San Francisco Clean and Safe Neighborhood Parks Bond Summary

Project Site	\$M	Description
Neighborhood Parks		
Angelo J. Rossi Playground	8.2	Renovate pool, pool building and related amenities and improve park access
Balboa Park	7	Renovate pool, pool building and related amenities and improve park access
Garfield Square	11	Renovate pool, reconfigure park facilities, and Improve park access
George Christopher Playground	2.8	Replace children's play area, restrooms, and improve park access
Gilman Playground	1.8	Replace children's play area, restrooms, and improve park access
Glen Canyon Park	12	Renovate existing recreation center and related amenities
Hyde & Turk Mini Park	1	Renovate children's play area, landscaping and related amenities, and improve park access
Joe DiMaggio Playground	5.5	Reorganize and renovate children's play area, courts, access, and related amenities
Margaret S. Hayward Playground	14	Replace park play structures, replace sports courts, upgrade playfields, and Improve park access
Moscone Recreation Center	1.5	Replace children's play area on the east side
Mountain Lake Park	2	Replace children's play area and improve park access
Potrero Hill Recreation Center	4	Replace and renovate natural turf playfields and dog play area
South Park	1	Renovate children's play area, landscaping and related amenities, and improve park access
West Sunset Playground	13.2	Renovate sports courts, natural turf fields including bleachers, storage, restrooms, and park access
Willie "Woo Woo" Wong Playground	6	Renovate site facilities, restore sports courts, replace playground, and improve park access
Program Contingency	6	Reserve funds to ensure completion of bond projects
Issuance and Oversight	2	Costs of issuance and oversight/audit by CGOBOC
	99	
Citywide Parks		
Lake Merced Park	2	Fund Improvements to park
Golden Gate Park	9	Fund improvements to park
John McLaren Park	10	Fund Improvements to park
	21	
Citywide Programs		
Community Opportunity Fund	12	Funds for community-driven projects to improve parks and leverage private resources
Failing Playgrounds	15.5	Funds to replace and restore dilapidated, outdated, failing playgrounds
Forestry	4	Funds to access and abate hazardous trees and replant to enhance urban forest
Trails	4	Funds to repair and restore trails to allow park users to experience and enjoy nature
Water Conservation	5	Funds to replace outdated irrigation systems
	40.5	
Waterfront Parks		
Fisherman's Wharf Plaza	1.5	New public plaza adjacent to Pier 43 Trail Promenade
Northeast Wharf Plaza & Pier 27/29 Tip	17	Construct new 2.7 acre park with large lawn and view areas
Agua Vista Park	2.5	Renovate and connect shoreline access with walking, biking, and view areas
Crane Cove Park	8	Shoreline restoration, adaptive reuse of historic cranes and slipways, and new public spaces
Pier 70 Parks	2	Restore shoreline, environmental remediation, improve landscaping, and provide new public areas
Warm Water Cove Park	1.5	Renovate and expand park and improve park access and amenities
Islais Creek Improvements	2	Construct new public access with walkway and scenic lookouts
	34.5	
TOTAL	\$195.0	Total in General Obligation Bonds

Planning
Design
Bid / Award
Construction
Close Out
of months in phase

[illegible]

2012 San Francisco Clean and Safe Neighborhood Parks Bond Revenue Plan

	Bond Budget*	First Sale	Subsequent Sales	Total
Neighborhood Parks				
Angelo J. Rossi Playground	8,200,000	-	8,200,000	8,200,000
Balboa Park	7,000,000	6,825,000	175,000	7,000,000
Garfield Square	11,000,000	2,750,000	8,250,000	11,000,000
George Christopher Playground	2,800,000	10,000	2,790,000	2,800,000
Gilman Playground	1,800,000	1,755,000	45,000	1,800,000
Glen Canyon Park	12,000,000	11,700,000	300,000	12,000,000
Hyde & Turk Mini Park	1,000,000	-	1,000,000	1,000,000
Joe DiMaggio Playground	5,500,000	5,362,500	137,500	5,500,000
Margaret S. Hayward Playground	14,000,000	850,000	13,150,000	14,000,000
Moscone Recreation Center	1,500,000	10,000	1,490,000	1,500,000
Mountain Lake Park	2,000,000	1,950,000	50,000	2,000,000
Potrero Hill Recreation Center	4,000,000	25,000	3,975,000	4,000,000
South Park	1,000,000	975,000	25,000	1,000,000
West Sunset Playground	13,200,000	3,300,000	9,900,000	13,200,000
Willie "Woo Woo" Wong Playground	6,000,000	600,000	5,400,000	6,000,000
Subtotal Neighborhood Parks	91,000,000	36,112,500	54,887,500	91,000,000
Citywide Parks				
Golden Gate Park	9,000,000	2,475,000	6,525,000	9,000,000
John McLaren Park	10,000,000	2,500,000	7,500,000	10,000,000
Lake Merced Park	2,000,000	1,000,000	1,000,000	2,000,000
Subtotal Neighborhood Parks	21,000,000	5,975,000	15,025,000	21,000,000
Citywide Programs				
Community Opportunity Fund	12,000,000	1,900,000	10,100,000	12,000,000
Failing Playgrounds	15,500,000	5,000,000	10,500,000	15,500,000
Forestry	4,000,000	1,000,000	3,000,000	4,000,000
Trails	4,000,000	2,000,000	2,000,000	4,000,000
Water Conservation	5,000,000	1,200,000	3,800,000	5,000,000
Subtotal Neighborhood Parks	40,500,000	11,100,000	29,400,000	40,500,000
Waterfront Parks				
Fisherman's Wharf Plaza	1,500,000	-	1,500,000	1,500,000
Northeast Wharf Plaza & Pier 27/29 Tip	17,000,000	17,000,000	-	17,000,000
Agua Vista Park	2,500,000	-	2,500,000	2,500,000
Crane Cove Park	8,000,000	-	8,000,000	8,000,000
Pier 70 Parks	2,000,000	600,000	1,400,000	2,000,000
Warm Water Cove Park	1,500,000	-	1,500,000	1,500,000
Islais Creek Improvements	2,000,000	600,000	1,400,000	2,000,000
Subtotal Neighborhood Parks	34,500,000	18,200,000	16,300,000	34,500,000
Other Bond Costs				
Program Contingency	6,000,000	-	6,000,000	6,000,000
Issuance and Oversight	2,000,000	500,000	1,500,000	2,000,000
Subtotal Neighborhood Parks	8,000,000	500,000	7,500,000	8,000,000
TOTAL	195,000,000	71,887,500	123,112,500	195,000,000

*As the community process, planning, and design phases progress, some projects may receive additional funding from non-bond sources.

2012 San Francisco Clean and Safe Neighborhood Parks Bond Expenditure Plan

Project	All Sources Budget*	Bond Budget	Expended	Encumbered	Balance
Neighborhood Parks					
Angelo J. Rossi Playground	8,200,000	8,200,000	-	-	-
Balboa Park	7,000,000	7,000,000	-	-	-
Garfield Square	11,000,000	11,000,000	-	-	-
George Christopher Playground	2,800,000	2,800,000	-	-	-
Gillman Playground	1,800,000	1,800,000	-	-	-
Glen Canyon Park	12,000,000	12,000,000	-	-	-
Hyde & Turk Mini Park	1,000,000	1,000,000	-	-	-
Joe DiMaggio Playground	5,500,000	5,500,000	-	-	-
Margaret S. Hayward Playground	14,000,000	14,000,000	-	-	-
Moscone Recreation Center	1,500,000	1,500,000	-	-	-
Mountain Lake Park	2,000,000	2,000,000	-	-	-
Potrero Hill Recreation Center	4,000,000	4,000,000	-	-	-
South Park	1,000,000	1,000,000	-	-	-
West Sunset Playground	13,200,000	13,200,000	-	-	-
Willie "Woo Woo" Wong Playground	6,000,000	6,000,000	-	-	-
Subtotal Neighborhood Parks	91,000,000	91,000,000	-	-	-
Citywide Parks					
Golden Gate Park	9,000,000	9,000,000	-	-	-
John McLaren Park	10,000,000	10,000,000	-	-	-
Lake Merced Park	2,000,000	2,000,000	-	-	-
Subtotal Neighborhood Parks	21,000,000	21,000,000	-	-	-
Citywide Programs					
Community Opportunity Fund	12,000,000	12,000,000	-	-	-
Failing Playgrounds	15,500,000	15,500,000	-	-	-
Forestry	4,000,000	4,000,000	-	-	-
Trails	4,000,000	4,000,000	-	-	-
Water Conservation	5,000,000	5,000,000	-	-	-
Subtotal Neighborhood Parks	40,500,000	40,500,000	-	-	-
Waterfront Parks					
Fisherman's Wharf Plaza	1,500,000	1,500,000	-	-	-
Northeast Wharf Plaza & Pier 27/29 Tip	17,000,000	17,000,000	-	-	-
Agua Vista Park	2,500,000	2,500,000	-	-	-
Crane Cove Park	8,000,000	8,000,000	-	-	-
Pier 70 Parks	2,000,000	2,000,000	-	-	-
Warm Water Cove Park	1,500,000	1,500,000	-	-	-
Islais Creek Improvements	2,000,000	2,000,000	-	-	-
Subtotal Neighborhood Parks	34,500,000	34,500,000	-	-	-
Other Bond Costs					
Program Contingency	6,000,000	6,000,000	-	-	-
Issuance and Oversight	2,000,000	2,000,000	-	-	-
Subtotal Other Bond Costs	8,000,000	8,000,000	-	-	-
TOTAL	195,000,000	195,000,000	-	-	-

* All Sources known at publication. As the community process, planning, and design phases progress, some projects may receive additional funding from non-bond sources.

2012 San Francisco Clean and Safe Neighborhood Parks Bond, Project Budget and and Phase Detail

Project	Phase	# months		Bond Budget	Expended	Encumbered	Balance
NEIGHBORHOOD PARKS							
Glen Canyon Park	Planning	6	600,000	12,000,000	-	-	12,000,000
	Design	12	2,400,000				
	Bid/Award	6	300,000				
	Construction	16	8,400,000				
	Closeout	3	<u>300,000</u>				
			12,000,000				
Joe DiMaggio Playground	Planning	6	275,000	5,500,000	-	-	5,500,000
	Design	12	1,100,000				
	Bid/Award	6	137,500				
	Construction	12	3,850,000				
	Closeout	3	<u>137,500</u>				
			5,500,000				
Balboa Park	Planning	6	350,000	7,000,000	-	-	7,000,000
	Design	12	1,400,000				
	Bid/Award	6	175,000				
	Construction	16	4,900,000				
	Closeout	3	<u>175,000</u>				
			7,000,000				
Gilman Playground	Planning	8	90,000	1,800,000	-	-	1,800,000
	Design	10	360,000				
	Bid/Award	6	45,000				
	Construction	14	1,260,000				
	Closeout	3	<u>45,000</u>				
			1,800,000				
West Sunset Playground	Planning	8	660,000	13,200,000	-	-	13,200,000
	Design	12	2,640,000				
	Bid/Award	6	330,000				
	Construction	16	9,240,000				
	Closeout	3	<u>330,000</u>				
			13,200,000				
Mountain Lake Playground	Planning	6	100,000	2,000,000	-	-	2,000,000
	Design	12	400,000				
	Bid/Award	6	50,000				
	Construction	12	1,400,000				
	Closeout	3	<u>50,000</u>				
			2,000,000				
South Park	Planning	2	50,000	1,000,000	-	-	1,000,000
	Design	4	200,000				
	Bid/Award	6	25,000				
	Construction	12	700,000				
	Closeout	3	<u>25,000</u>				
			1,000,000				
Garfield Square	Planning	6	550,000	11,000,000	-	-	11,000,000
	Design	12	2,200,000				
	Bid/Award	6	275,000				
	Construction	14	7,700,000				
	Closeout	3	<u>275,000</u>				
			11,000,000				

2012 San Francisco Clean and Safe Neighborhood Parks Bond, Project Budget and and Phase Detail

Project	Phase	# months		Bond Budget	Expended	Encumbered	Balance
Moscone Recreation Center	Planning	6	75,000	1,500,000	-	-	1,500,000
	Design	8	300,000				
	Bld/Award	6	37,500				
	Construction	10	1,050,000				
	Closeout	3	37,500				
			<u>1,500,000</u>				
Margaret S. Hayward Playground	Planning	8	700,000	14,000,000	-	-	14,000,000
	Design	12	2,800,000				
	Bld/Award	6	350,000				
	Construction	16	9,800,000				
	Closeout	3	350,000				
			<u>14,000,000</u>				
Willie "Woo Woo" Wong Playground	Planning	6	300,000	6,000,000	-	-	6,000,000
	Design	12	1,200,000				
	Bld/Award	6	150,000				
	Construction	16	4,200,000				
	Closeout	3	150,000				
			<u>6,000,000</u>				
George Christopher Playground	Planning	8	140,000	2,800,000	-	-	2,800,000
	Design	12	560,000				
	Bld/Award	6	70,000				
	Construction	12	1,960,000				
	Closeout	3	70,000				
			<u>2,800,000</u>				
Potrero Hill Recreation Center	Planning	6	200,000	4,000,000	-	-	4,000,000
	Design	12	800,000				
	Bld/Award	6	100,000				
	Construction	16	2,800,000				
	Closeout	3	100,000				
			<u>4,000,000</u>				
Angelo J. Rossi Park	Planning	8	410,000	8,200,000	-	-	8,200,000
	Design	12	1,640,000				
	Bld/Award	6	205,000				
	Construction	14	5,740,000				
	Closeout	3	205,000				
			<u>8,200,000</u>				
Hyde & Turk Mini Park	Planning	6	50,000	1,000,000	-	-	1,000,000
	Design	8	200,000				
	Bld/Award	6	25,000				
	Construction	12	700,000				
	Closeout	3	25,000				
			<u>1,000,000</u>				
Subtotal Neighborhood Parks				91,000,000	-	-	91,000,000

2012 San Francisco Clean and Safe Neighborhood Parks Bond, Project Budget and and Phase Detail

Project	Phase	# months		Bond Budget	Expended	Encumbered	Balance
CITYWIDE PARKS							
McLaren	Planning	12	500,000	10,000,000	-	-	10,000,000
	Design	14	2,000,000				
	Bid/Award	6	250,000				
	Construction	16	7,000,000				
	Closeout	3	250,000				
			<u>10,000,000</u>				
Golden Gate Park	Planning	12	450,000	9,000,000	-	-	9,000,000
	Design	15	1,800,000				
	Bid/Award	6	225,000				
	Construction	14	6,300,000				
	Closeout	3	225,000				
			<u>9,000,000</u>				
Lake Merced	Planning	6	100,000	2,000,000	-	-	2,000,000
	Design	12	400,000				
	Bid/Award	6	50,000				
	Construction	12	1,400,000				
	Closeout	3	50,000				
			<u>2,000,000</u>				
Subtotal Neighborhood Parks				21,000,000	-	-	21,000,000
CITYWIDE PROGRAMS							
Community Opportunity Fund		Round 1	3,000,000	12,000,000	-	-	12,000,000
		Round 2	3,000,000				
		Round 3	3,000,000				
		Round 4	3,000,000				
			<u>12,000,000</u>				
Forestry	Planning	6	200,000	4,000,000	-	-	4,000,000
	Design	8	800,000				
	Bid/Award	6	100,000				
	Construction	10	2,800,000				
	Closeout	3	100,000				
			<u>4,000,000</u>				
Trails	Planning	4	200,000	4,000,000	-	-	4,000,000
	Design	6	800,000				
	Bid/Award	4	100,000				
	Construction	9	2,800,000				
	Closeout	3	100,000				
			<u>4,000,000</u>				
Water Conservation	Planning	6	250,000	5,000,000	-	-	5,000,000
	Design	10	1,000,000				
	Construction	18	3,750,000				
			<u>5,000,000</u>				
Failing Playgrounds	Planning	6	775,000	15,500,000	-	-	15,500,000
	Design	8	3,100,000				
	Bid/Award	6	387,500				
	Construction	10	10,850,000				
	Closeout	3	387,500				
			<u>15,500,000</u>				
Sutttotal Citywide Programs				40,500,000	-	-	40,500,000

2012 San Francisco Clean and Safe Neighborhood Parks Bond, Project Budget and and Phase Detail

Project	Phase	# months		Bond Budget	Expended	Encumbered	Balance
WATERFRONT PARKS							
Fisherman's Wharf Plaza	Planning	6		1,500,000	-	-	1,500,000
	Design	15	450,000				
	Construction	12	1,050,000				
			<u>1,500,000</u>				
Northeast Wharf Plaza & Pier 27/29 Tip	Planning	-	completed	17,000,000	-	-	17,000,000
	Design	9	2,400,000				
	Construction	12	14,600,000				
			<u>17,000,000</u>				
Agua Vista Park	Planning	6		2,500,000	-	-	2,500,000
	Design	15	750,000				
	Construction	12	1,750,000				
			<u>2,500,000</u>				
Crane Cove Park	Planning	7	underway	8,000,000	-	-	8,000,000
	Design	18	-				
	Construction	18	8,000,000				
			<u>8,000,000</u>				
Pier 70 Parks	Planning	9		2,000,000	-	-	2,000,000
	Design	15	600,000				
	Construction	15	1,400,000				
			<u>2,000,000</u>				
Warm Water Cove Park	Planning	9		1,500,000	-	-	1,500,000
	Design	15	450,000				
	Construction	12	1,050,000				
			<u>1,500,000</u>				
Islais Creek Improvements	Planning	9		2,000,000	-	-	2,000,000
	Design	18	600,000				
	Construction	15	1,400,000				
			<u>2,000,000</u>				
Subtotal Waterfront Parks				34,500,000	-	-	34,500,000
OTHER BOND COSTS							
Issuance and Oversight				2,000,000	-	-	2,000,000
Program Contingency				6,000,000	-	-	6,000,000
Subtotal Other Bond Costs				8,000,000	-	-	8,000,000
TOTAL				195,000,000	-	-	195,000,000

GLEN CANYON PARK

Location: 70 Elk Street

District: 8

SITE DESCRIPTION:

Glen Canyon Park is located off of O'Shaughnessy Boulevard and Elk Street. The approximately 67-acre park offers visitors a recreation center, including a gymnasium, auditorium, offices, and related amenities; a two-story Silver Tree Day Camp building; hiking trails, open space, and a creek; two baseball fields; two tennis courts; a children's play area; and a picnic area.

PROJECT SCOPE:

The project may include renovations of the existing recreation center to provide an additional 4,500 square feet of multi-purpose space, gymnasium seating, and related amenities.

PHASE BUDGET:

Planning	\$600,000
Design	\$2,400,000
Construction	\$9,000,000
Total	\$12 Million



SCHEDULE FOR GLEN CANYON PARK

<u>MILESTONE</u>	<u>SCHEDULE</u>
Planning	March 2013
Design	September 2013
Construction	March 2015
Open to Public	July 2016



JOE DiMAGGIO PLAYGROUND

Location: 651 Lombard Street

District: 3

SITE DESCRIPTION:

Joe DiMaggio Playground is located at the corner of Mason Street and Lombard Street. The approximately 110,000 square foot park has a children's play area, tennis courts, bocce courts, pool building and sport courts.

PROJECT SCOPE:

The project may include the reorganization and renovation of the children's play area, tennis courts, paved play areas and pathways, access improvements, and related amenities, landscaping and seating improvements to the new open space provided adjacent to the future North Beach Branch Library.

PHASE BUDGET:

Planning	\$275,000
Design	\$1,100,000
Construction	\$4,125,000
Total	\$5.5 Million



SCHEDULE FOR JOE DIMAGGIO PLAYGROUND

<u>MILESTONE</u>	<u>SCHEDULE</u>
Planning	March 2013
Design	September 2013
Construction	March 2015
Open to Public	March 2016



BALBOA PARK

Location: 51 Havelock

District: 11

SITE DESCRIPTION:

Balboa Park and Pool is located at 51 Havelock Street at San Jose and Ocean Avenues. The approximately 1,100,000 square foot park has multiple fields for soccer and baseball, tennis and basketball courts, a children's play area, skateboard park (under construction), and a pool.

PROJECT SCOPE:

The project may include the renovation of the pool, pool building, the potential addition of an 800 square foot multi-purpose space, and site improvements to related amenities.

PHASE BUDGET:

Planning	\$350,000
Design	\$1,400,000
Construction	\$5,250,000
Total	\$7 Million



SCHEDULE FOR BALBOA PARK

<u>MILESTONE</u>	<u>SCHEDULE</u>
Planning	March 2013
Design	September 2013
Construction	March 2015
Open to Public	July 2016



WEST SUNSET PLAYGROUND

Location: 1990 41st Avenue

District: 4

SITE DESCRIPTION:

West Sunset Playground is located between Sunset Elementary School and A.P. Giannini Middle School, at Ortega and Quintara Streets. The park is approximately 738,000 square feet and has a clubhouse, children's play area, sport courts, multiple playfields, and related amenities.

PROJECT SCOPE:

The project may include the renovation of sports courts, natural turf fields including the bleachers, storage facility, restrooms, support space, and related park amenities.

PHASE BUDGET:

Planning	\$660,000
Design	\$2,640,000
Construction	\$9,900,000
Total	\$13.2 Million



SCHEDULE FOR WEST SUNSET PLAYGROUND

<u>MILESTONE</u>	<u>SCHEDULE</u>
Planning	May 2013
Design	November 2013
Construction	May 2015
Open to Public	September 2016





MOUNTAIN LAKE PARK

Location: 1000 Lake Street

District: 2

SITE DESCRIPTION:

Mountain Lake Park is located at 1000 Lake Street. The park is approximately 1,000,000 square feet and has a lake, pathways, children's play area, tennis courts, and large natural lawn areas.

PROJECT SCOPE:

The project may include renovation and/or replacement of the children's play area and related amenities.

PHASE BUDGET:

Planning	\$100,000
Design	\$400,000
Construction	\$1,500,000
Total	\$2 Million



SCHEDULE FOR MOUNTAIN LAKE PARK

<u>MILESTONE</u>	<u>SCHEDULE</u>
Planning	March 2013
Design	September 2013
Construction	March 2015
Open to Public	March 2016



GILMAN PLAYGROUND

Location: 951 Gilman Street

District: 10

SITE DESCRIPTION:

Gilman Playground is located at the intersection of Gilman and Ingerson Avenues. The park is approximately 224,000 square feet and includes playfields, picnic areas, basketball court, children's play area, and a clubhouse.

PROJECT SCOPE:

The project may include improvements to the children's play area, exterior clubhouse restrooms for improved access, and related amenities.

PHASE BUDGET:

Planning	\$90,000
Design	\$360,000
Construction	\$1,350,000
Total	\$1.8 Million



SCHEDULE FOR GILMAN PLAYGROUND

<u>MILESTONE</u>	<u>SCHEDULE</u>
Planning	May 2013
Design	November 13
Construction	March 2015
Open to Public	May 2016



SOUTH PARK

Location: 64 South Park Avenue

District: 6

SITE DESCRIPTION:

South Park is located at 64 South Park Avenue. The park is approximately 34,000 square feet and has children's play areas, a walkway, natural lawn, landscaping, and related amenities.

PROJECT SCOPE:

The project may include renovations of the children's play areas, landscaping, site accessibility, and related amenities.

PHASE BUDGET:

Planning	\$50,000
Design	\$200,000
Construction	\$750,000
Total	\$1 Million



SCHEDULE FOR SOUTH PARK

<u>MILESTONE</u>	<u>SCHEDULE</u>
Planning	July 2013
Design	September 2013
Construction	July 2014
Open to Public	July 2015





GARFIELD SQUARE

Location: 1271 Treat Avenue

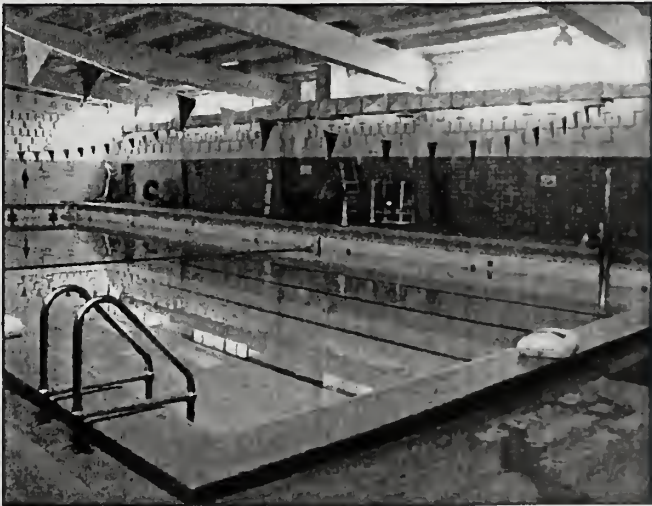
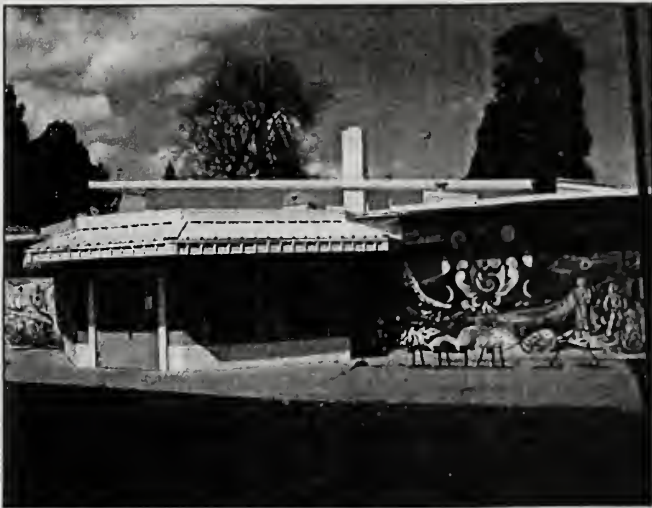
District: 9

SITE DESCRIPTION:

Garfield Square is located at Harrison Street and 26th Street. The park is approximately 169,000 square feet and has a pool building and adjacent club house, sport courts, synthetic fields for soccer, children’s play area, picnic area, landscaping, and related amenities.

PROJECT SCOPE:

The project may include the renovation of the pool, pool building, and reconfiguration of park indoor facilities, improved park accessibility, and related amenities.



PHASE BUDGET:

Planning	\$550,000
Design	\$2,200,000
Construction	\$8,250,000
Total	\$11 Million

SCHEDULE FOR GARFIELD SQUARE

<u>MILESTONE</u>	<u>SCHEDULE</u>
Planning	June 2014
Design	December 2014
Construction	June 2016
Open to Public	August 2017



GEORGE CHRISTOPHER PLAYGROUND

Location: 1098 Douglass Street

District: 8

SITE DESCRIPTION:

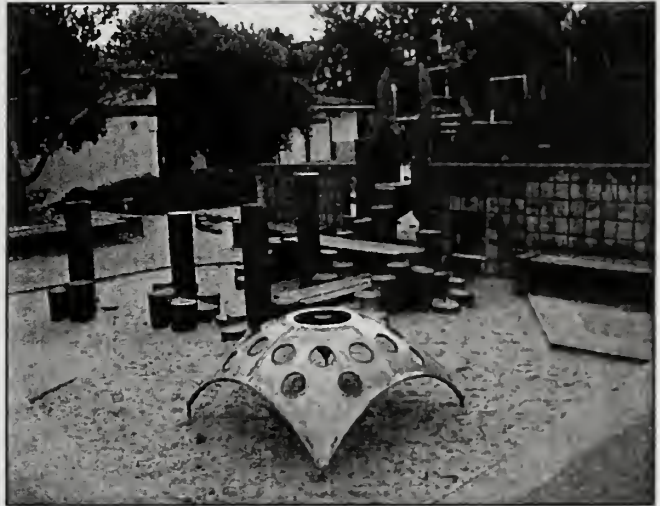
George Christopher Playground is located near Duncan Street and Diamond Heights Boulevard. The park is approximately 310,000 square feet and has a clubhouse, baseball field, pathways, tennis courts, playgrounds, and related amenities.

PROJECT SCOPE:

The project may include improvements to the children's play area, exterior clubhouse restrooms, park access, and related amenities.

PHASE BUDGET:

Planning	\$140,000
Design	\$560,000
Construction	\$2,100,000
Total	\$2.8 Million



SCHEDULE FOR GEORGE CHRISTOPHER PLAYGROUND

<u>MILESTONE</u>	<u>SCHEDULE</u>
Planning	February 2015
Design	October 2015
Construction	April 2017
Open to Public	April 2018





MARGARET S. HAYWARD PLAYGROUND

Location: 1016 Laguna Street

District: 5

SITE DESCRIPTION:

Margaret S. Hayward Park is located at the corner of Turk and Gough Streets. The park is approximately 265,000 square feet. It offers recreation facilities including indoor recreation space, storage, and related amenities; sport courts; playfields including bleachers with storage and office space; children's play area; and an emergency operations facility owned and operated by the Department of Emergency Management.

PROJECT SCOPE:

The project may include renovations and/or consolidation of park structures including recreational buildings, storage, and restrooms; improved park access; replacement of sport courts, playfields, children's play area, and related amenities.

PROPOSED PHASE BUDGET:

Planning	\$700,000
Design	\$2,800,000
Construction	\$10,500,000
Total	\$14 Million



SCHEDULE FOR MARGARET S. HAYWARD PLAYGROUND

<u>MILESTONE</u>	<u>SCHEDULE</u>
Planning	February 2015
Design	October 2015
Construction	April 2017
Open to Public	August 2018



WILLIE "WOO WOO" WONG PLAYGROUND

Location: 850 Sacramento Street

District: 3

SITE DESCRIPTION:

Willie "Woo Woo" Wong Playground is located between Sacramento and Stockton Streets. The park is approximately 24,000 square feet and has a clubhouse, sport courts, children's play area, alley open space, and related amenities.

PROJECT SCOPE:

The project may include the renovation of courts and children's play area, improved park access including the adjacent alleyways, and related amenities, and reconfiguration of park features.

PHASE BUDGET:

Planning	\$300,000
Design	\$1,200,000
Construction	\$4,500,000
Total	\$6 Million



SCHEDULE FOR WILLIE "WOO WOO" WONG PLAYGROUND

<u>MILESTONE</u>	<u>SCHEDULE</u>
Planning	February 2015
Design	October 2015
Construction	April 2017
Open to Public	June 2018



POTRERO HILL RECREATION CENTER

Location: 801 Arkansas Street

District: 10

SITE DESCRIPTION:

Potrero Hill Recreation Center is located at 801 Arkansas Street. The park is approximately 455,000 square feet and includes playfields, tennis courts, dog play area, playground and a recreation center.

PROJECT SCOPE:

The project may include improvements to the natural turf playfields and the dog play area.

PHASE BUDGET:

Planning	\$200,000
Design	\$800,000
Construction	\$3,000,000
Total	\$4 Million



SCHEDULE FOR POTRERO HILL RECREATION CENTER

<u>MILESTONE</u>	<u>SCHEDULE</u>
Planning	February 2015
Design	October 2015
Construction	April 2017
Open to Public	July 2018



MOSCONE RECREATION CENTER- EAST PLAYGROUND

Location: 1800 Chestnut Street

District: 2

SITE DESCRIPTION:

Moscone Recreation Center is located between Laguna and Chestnut Streets and is approximately 567,000 square feet. The park includes a mini driving range, putting greens, basketball courts, tennis courts, children's play areas, four ball fields, grassy areas, a recreation center, and other related recreational amenities and support facilities.

PROJECT SCOPE:

The project may include improvements to the eastern children's play area, improved access, and related amenities.

PHASE BUDGET:

Planning	\$75,000
Design	\$300,000
Construction	\$1,125,000
Total	\$1.5 Million



SCHEDULE FOR MOSCONE RECREATION CENTER- EAST PLAYGROUND

MILESTONE	SCHEDULE
Planning	February 2015
Design	August 2015
Construction	February 2017
Open to Public	December 2017



ANGELO J. ROSSI PLAYGROUND

Location: 2 North Willard Street

District: 1



SITE DESCRIPTION:

Angelo J. Rossi Playground is located at the corner of Anza Street and Arguello Boulevard. The approximately 300,000 square foot park has a large lawn area for baseball and other field sports, children's play area, pool building, maintenance building, and sport courts.

PROJECT SCOPE:

The project may include the renovation of the pool, pool building, and maintenance storage facility, improved park accessibility, and related amenities.



PHASE BUDGET:

Planning	\$410,000
Design	\$1,640,000
Construction	\$6,150,000
Total	\$8.2 Million



SCHEDULE FOR ANGELO J. ROSSI PLAYGROUND

<u>MILESTONE</u>	<u>SCHEDULE</u>
Planning	July 2015
Design	March 2016
Construction	September 2017
Open to Public	November 2018



HYDE & TURK MINI PARK

Location: 201 Hyde Street

District: 6

SITE DESCRIPTION:

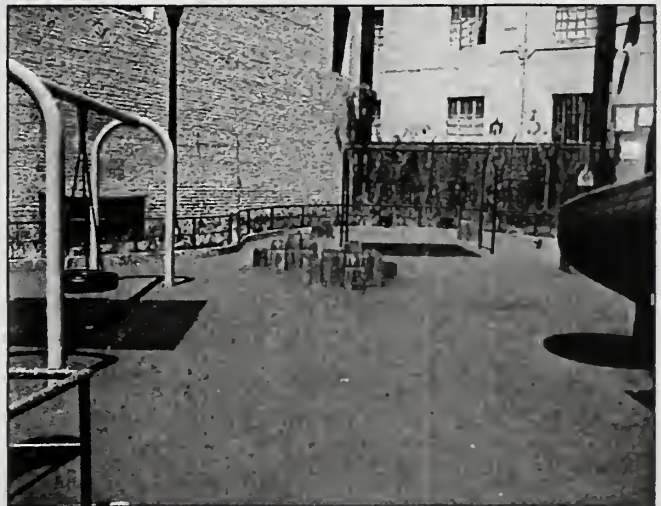
Hyde & Turk Mini Park is located at 201 Hyde Street. The park is approximately 6,500 square feet and has a children's play area, landscaping, and related amenities.

PROJECT SCOPE:

The project may include renovations of the children's play area, landscaping, site accessibility, and related amenities.

PHASE BUDGET:

Planning	\$50,000
Design	\$200,000
Construction	\$750,000
Total	\$1 Million



SCHEDULE FOR HYDE & TURK MINI PARK

<u>MILESTONE</u>	<u>SCHEDULE</u>
Planning	January 2016
Design	July 2016
Construction	September 2017
Open to Public	September 2018



CITYWIDE PROGRAMS

The Citywide Program areas are defined in detail below, but specific sites, budgets, and schedules will be determined by various citizen advisory or task force groups. Such groups will conduct community outreach to get feedback on priorities and collaborate with the Parks, Recreation and Open Space Advisory Committee (PROSAC) to optimize schedules, scopes, and budgets. Every program expenditure plan will be reviewed and approved by the RPD Commission in a regular public meeting with additional opportunity for public participation.

Failing Playgrounds

The \$15.5 million Failing Playgrounds program will focus on renovating, replacing, and remediating dilapidated playgrounds throughout the City. Playgrounds will be selected for funding by a Citizen's Advisory Committee (CAC) that should include stakeholders from citywide open space organizations, the school district, children's advocacy and parent organizations, the Parks, Recreation and Open Space Advisory Committee (PROSAC) as well as child development experts. The CAC will be appointed by the Recreation and Park Commission.

Within six months of the bond's passage, the CAC will make recommendations to the RPD Commission on how to prioritize and expend funds for this program based on consideration of, but not limited to, the

following sources of data:



- 2012 SF Playground Scorecard
- 2010 Census Data
- Physical condition of the sites
- Presence of Pressure Treated Lumber
- Analysis of disabled access
- San Francisco Unified School District playground locations
- Controller's Office Proposition C Park
- Evaluation Data
- Analysis of open space and playground deficient neighborhoods

San Francisco parks have over 170 children's play areas, scattered throughout the City, serving a variety of children's age groups, neighborhoods, and needs. Examples of playgrounds that may be analyzed as potential renovation sites under this program include: Alice Chalmers Playground, Crocker Amazon Playground, Golden Gate Heights Park, Herz Playground, Juri Commons, Laurel Hill Playground, Merced Heights Playground, Miraloma Playground, Panhandle Children's Playground, Richmond Playground, Washington Square, and Youngblood Coleman Playground. This list is not exhaustive and other playgrounds not included may also be funded through the Failing Playground Program. The Recreation and Parks Commission, informed by recommendations of the CAC, will select projects for funding.

Forestry

Trees are a critical element of San Francisco's parks, cleaning the air, providing shelter to animals, and contributing to the aesthetic character of each park. The Recreation and Park Department's forest is estimated to contain well over 100,000 trees – most of which have not received assessment or attention since planting.

In 2010 RPD staff consulted with professional arborists and park stakeholders to develop a Tree Hazard Area Prioritization and Implementation Plan (the Plan) to guide the expenditure of bond funds. Accepted urban forest management techniques such as the hazard rating system were applied to park properties, identifying those parks, areas and trees most in need of tree repair.



The Plan relies upon tree hazard assessment and risk abatement principles, focusing on those trees which are deemed hazardous and nearby a high use area (e.g. playground, or major thoroughfare). Trees are **not** selected for removal based on their species or location, only due to the risk posed to life or property.

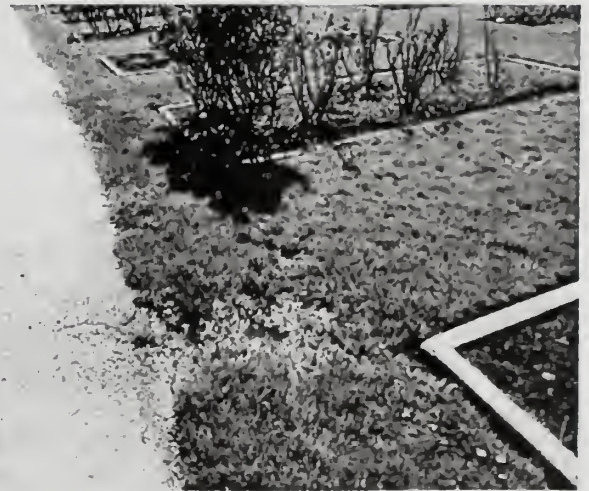
RPD staff will develop a capital plan based on the Tree Hazard Area Prioritization with scopes, budgets, and schedules to guide the allocation of

this \$4 million in Forestry program funds. This plan will be reviewed and approved by the RPD Commission prior to expenditure.

Water Conservation

In 2009, the SF Public Utilities Commission conducted an audit of the highest water using parks and prepared the "Water Conservation Plan" to assess problems and recommend solutions. Many neighborhood parks operate with antiquated irrigation systems, installed with the original park development, that result in millions of gallons of water lost due to uneven spray coverage and leaking pipes. Most of these water-wasting systems also require manual operation, which is labor intensive and inefficient.

The 2012 Park Bond funds \$5 million in conservation measures, which may include installing new irrigation lines; redesigning irrigation heads for uniform coverage; replacing irrigation heads, valves, flow sensors, and "smart" controllers; and installing water conserving landscapes that will result in millions of gallons of water savings. Selection of sites for this investment will be performed by a collaboration of PUC water conservation and RPD operations staff.



Trails

The 2004 Recreation Assessment identified walking and biking trails as the #1 most desired amenity by San Francisco residents. However, trails in San Francisco parks are in poor shape – frequently in need of erosion control and other improvements to the condition of the surrounding landscape. These funds will improve access and opportunities to walk and hike, allowing residents to better enjoy and experience nature in San Francisco parks.

This \$4 million trails program shall be used to repair and reconstruct park nature trails, pathways, and connectivity in Golden Gate Park and John McLaren Park.

RPD staff, in consultation with PROSAC, trail building experts, and park stakeholders, will make recommendations on proposed trail projects to the Recreation and Park Commission for approval prior to the expenditure of these funds. After identification and development of specific projects, environmental review required under CEQA will be completed.

Citywide Parks

The San Francisco Recreation and Park Department cares for and stewards many of the city's most beautiful and cherished landscapes. Each of these parks contributes immeasurably towards our quality of life in the city, and helps to define each neighborhood's identity.



Our citywide serving parks, which include – Golden Gate Park, McLaren Park, and Lake Merced Park – define the City of San Francisco's special identity as an urban oasis that offers both the best urban amenities and convenient access to unique open spaces. Together, these three parks comprise almost 2,000 acres of open space, each with capital needs just as vast. Golden Gate Park alone is estimated to need over \$500 million in capital investment to renovate and improve park features.

The Citywide Parks program allocates \$21 million for investment as follows: Golden Gate Park \$9 million, McLaren Park (and those properties contiguous to it under the Recreation and Park Commission's jurisdiction) \$10 million, and Lake Merced Park \$2 million. These funds can be used for capital improvements at these parks, and may include, but are not limited to, the following types of projects:

- Restoration of natural features, including lakes, meadows, and landscapes
- Recreational Assets, such as playgrounds, playfields, courts, and picnic areas
- Connectivity and Access, such as roads, pedestrian safety, paths, and trails

\$6.5 million of funds allocated to Golden Gate Park, and \$1.5 million of funds allocated to John McLaren Park, shall be allocated to projects that create or restore:

- Natural features, such as lakes, meadows, and landscapes
- Habitat for the park's many species of plants and animals

RPD staff will make recommendations to PROSAC and the RPD Commission on a capital plan to guide expenditure of these funds. These recommendations will be informed by:

- Community process and outreach
- Existing master plans and policy documents
- Scoping by RPD capital staff
- Overall project readiness

Community Opportunity Fund

The Community Opportunity Fund Program provides an opportunity for neighborhoods, community groups, and park partners to nominate capital projects for funding from the San Francisco Clean and Safe Neighborhood Parks Bond. The Community Opportunity Fund (COF) has three main policy goals:

- Foster community stewardship
- Enhance park identity and experience
- Leverage additional resources from the community

Established in the 2008 Clean and Safe Neighborhood Parks Bond, the COF has already leveraged an additional \$13.7 million in donations, in kind resources, sweat equity, and philanthropic investment against the \$5 million allocated within the 2008 bond. Funded projects include a community skate park in Balboa Park, renovation of the lawn bowling green in Golden Gate Park, and a new youth play area in Duboce Park.

Encouraged by the success of this program, the Recreation and Park Department included an expansion of the Community Opportunity Fund, allocating \$12 million from the 2012 San Francisco Clean and Safe Neighborhood Parks Bond.

Of the \$12 million allocated, \$6 million will be used to continue funding projects under the existing COF selection process. A Citizen's Advisory Committee, appointed by the Recreation and Park Commission, will review existing guidelines, project match requirements, and application deadlines for the COF, and make recommendations for any suggested revisions to the RPD Commission prior to any expenditure..

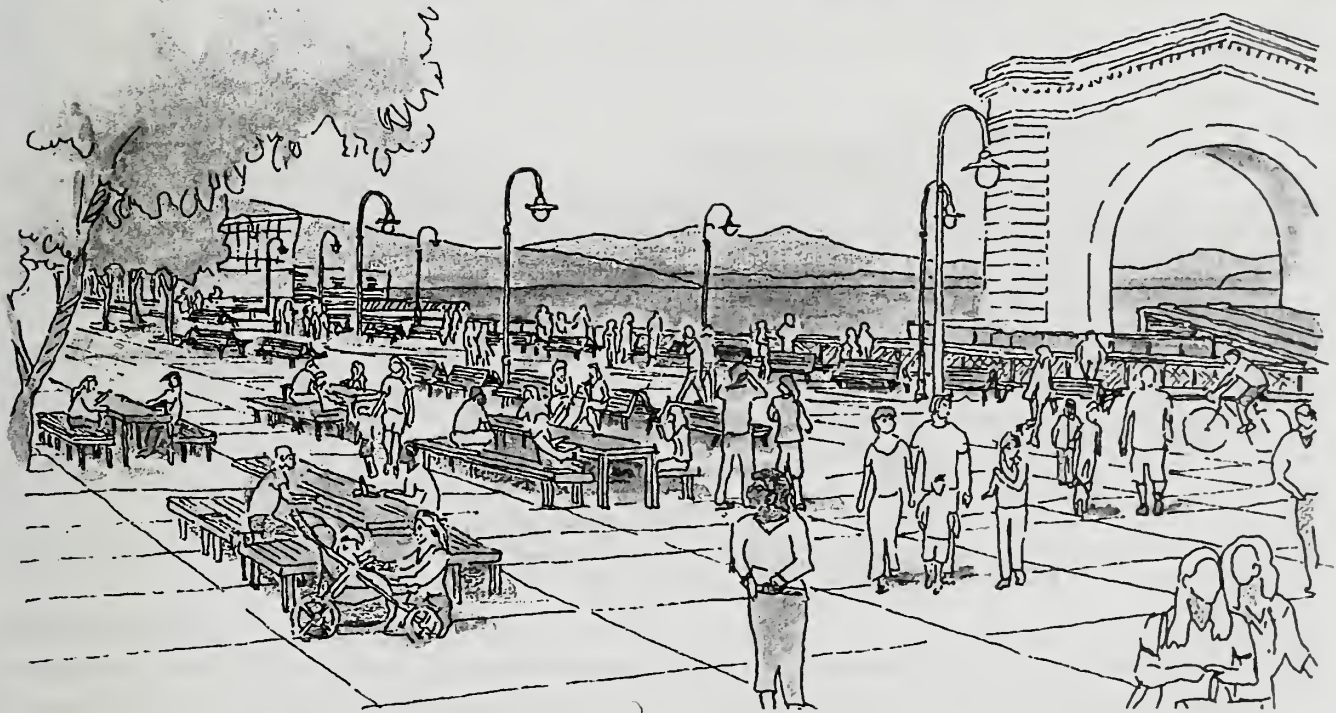
With the remaining \$6 million, the RPD Commission will establish a Partnership Projects fund. The Partnership Projects fund will support larger scale projects that have:

- Completed environmental review, as governed by the California Environmental Quality Act
- Provided evidence of broad-based community support
- Obtained commitments of significant match in philanthropic funding against requested bond funds
- Demonstrated consistency with existing department and city policy and capital planning documents

FISHERMAN'S WHARF PLAZA

Location: Fisherman's Wharf

District: 3



PROJECT SCOPE:

The Port and the San Francisco Bay Conservation and Development Commission are conducting a community planning process to define improvements for a public plaza in Fisherman's Wharf. Improvements would complement the existing Pier 39 Bay Trail Promenade. The area will offer places to sit, picnic or stroll, along with dramatic views of the historic Pier 39 Ferry Arch and Alcatraz Island.

SITE DESCRIPTION:

Plaza site will be in the heart of Fisherman's Wharf, connecting and expanding upon shoreline open space.

PROPOSED BUDGET:

Planning	\$0
Design	\$450,000
Construction	\$1,050,000
Total	\$1.5 Million

SCHEDULE FOR FISHERMAN'S WHARF PLAZA

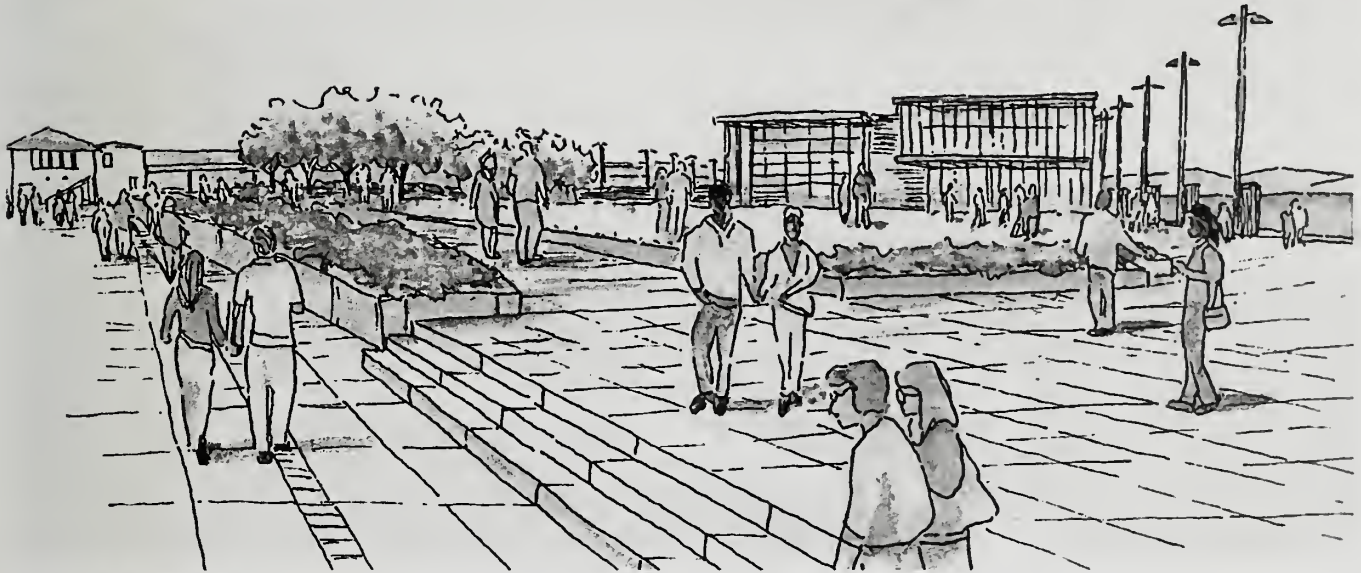
<u>MILESTONE</u>	<u>SCHEDULE</u>
Planning	April 2015
Design	October 2015
Construction	January 2017
Open to Public	January 2018



NORTHEAST WHARF PLAZA & PIER 27/29 TIP

Location: Pier 27 at the Embarcadero

District: 3



PROJECT SCOPE:

The Northeast Wharf Plaza at Pier 27 is expected to be a new 2.5 acre park bordering The Embarcadero Promenade, the Bay and the new James R. Herman Cruise Terminal. The Plaza is expected to feature a large lawn for informal recreation and many places to enjoy views of the Bay and cruise ships. The Pier 27/29 Tip is expected to be a public space for observation of ship provisioning and views across the Bay. The Northeast Wharf Plaza is expected to complete the public space envisioned in the Port and Bay Conservation and Development Commission plans for this part of the Northern Waterfront.

SITE DESCRIPTION:

The NE Wharf Plaza is a triangle on Pier 27 bordered by the Bay, the Embarcadero Promenade, and a central portion of the pier to be used for ground transportation by the new James R. Herman Cruise Terminal. The Pier 27/29 Tip is located at the far north end of the site, where Piers 27 and 29 converge.

PROPOSED BUDGET:

Planning	Complete
Design	\$2,400,000
Construction	\$14,600,000
Total	\$17 Million

SCHEDULE FOR NORTHEAST WHARF PLAZA & PIER 27/29 TIP

<u>MILESTONE</u>	<u>SCHEDULE</u>
Planning	Complete
Design	Underway
Construction	January 2014
Open to Public	January 2015



AGUA VISTA PARK

Location: Terry Francois Boulevard at 16th Street

District: 10



PROJECT SCOPE:

The 20,000 square foot park within 2,000 linear feet of shoreline access would be renovated and connected to the recently improved edge of Bayfront Park (with 2008 Neighborhood Parks bond proceeds). When completed, Agua Vista Park and the future Bayfront Park combined are expected to include 2,000 linear feet of new shoreline access, continuous walking and bike paths, and dramatic views of ships being worked on at the Pier 70 ship yard and dry dock. Improvements may include new pathways, seating areas, interpretation and fishing facility improvements.

SITE DESCRIPTION:

Agua Vista is a waterfront park at the southern edge of Mission Bay that was originally improved in the 1970s. It is located on Terry Francois Boulevard at 16th Street.

PROPOSED BUDGET:

Planning	\$0
Design	\$750,000
Construction	\$1,750,000
Total	\$2.5 Million

SCHEDULE FOR AGUA VISTA PARK

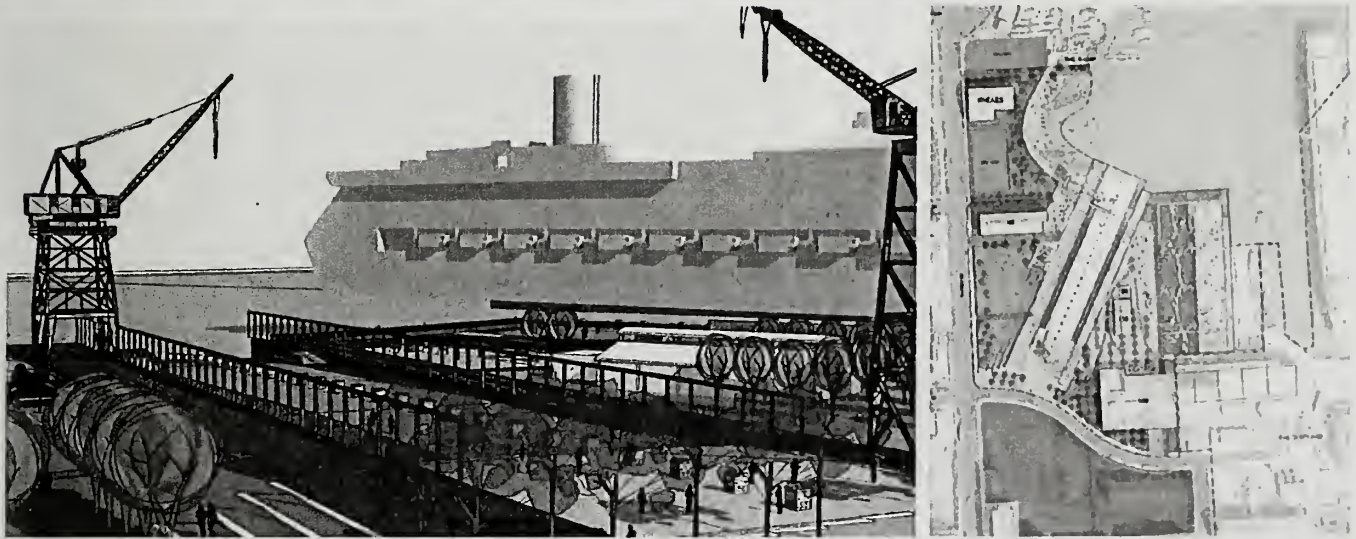
<u>MILESTONE</u>	<u>SCHEDULE</u>
Planning	July 2014
Design	January 2015
Construction	April 2016
Open to Public	April 2017



CRANE COVE PARK

Location: Pier 70 between Mariposa and 19th Street

District: 10



PROJECT SCOPE:

Crane Cove Park is a project prioritized for implementation as a part of the Port's Pier 70 wide planning and Blue Greenway. Funding for the improvements to Crane Cove Park include funds from both the 2008 and 2012 City's Park Bonds. Additional Port resources are also being utilized to improve the park. The total estimated budget for Crane Cove Park is \$45 million. To date the project has secured approximately \$21 million to fund an initial phase of Improvements that include: shoreline clean up and restoration, adaptive reuse of slipway 4 and one of the historic cranes, a human powered boating launch, a multi-purpose lawn, and a new 19th street to provide access to the park.

SITE DESCRIPTION:

Pier 70 is located In the City's Central Waterfront generally east of Illinois between Mariposa and 22nd Streets. It is an eligible National Register Historic District and is home to the nation's longest continually operated civilian ship repair yard. The Port has developed a plan to revitalize and reactivate the area to its historic activity level. Included are a system of open spaces to complete a significant gap in the Blue Greenway, connect the site to the adjacent neighborhood and allow for site access and Interpretation.

PROPOSED BUDGET:

Planning	\$0
Design	\$0
Construction	\$8,000,000
Total	\$8 Million

SCHEDULE FOR CRANE COVE PARK

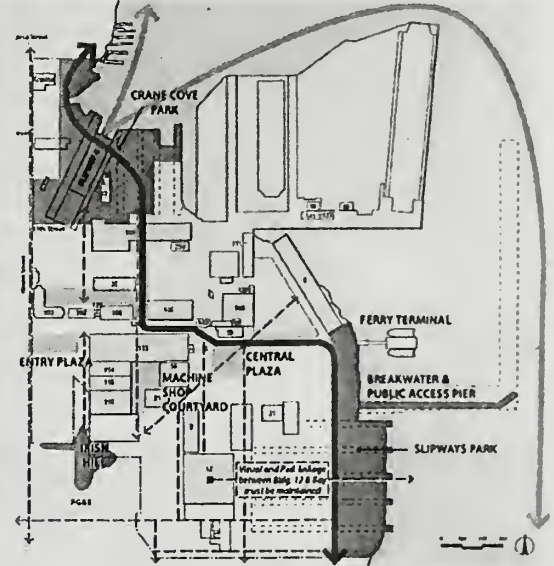
<u>MILESTONE</u>	<u>SCHEDULE</u>
Planning	Underway
Design	October 2013
Construction	April 2015
Open to Public	October 2016



PIER 70 PARKS

Location: Pier 70 between Mariposa and 22nd Street

District: 10



PROJECT SCOPE:

Pier 70 has a variety of open spaces planned including Slipways Park, Entry Plaza, Machine Shop Courtyard and Central Plaza. Each site has an opportunity to provide significant benefit to the Blue Greenway and allow the public to enjoy and learn about the history of Pier 70. The Port is working to identify which Pier 70 project can leverage additional resources to maximize benefits to Pier 70 and the community.

This \$2 million will be used on one of the Pier 70 projects, which compliment the Crane Cove Park project and is currently underway and funded from both the 2008 and 2012 Bonds.

SITE DESCRIPTION:

Pier 70 is located in the City's Central Waterfront generally east of Illinois between Mariposa and 22nd Streets. It is an eligible National Register Historic District and is home to the nation's longest continually operated civilian ship repair yard. The Port has developed a plan to revitalize and reactivate the area to its historic activity level. Included are a system of open spaces to complete a significant gap in the Blue Greenway, connect the site to the adjacent neighborhood and allow for site access and interpretation.

PROPOSED BUDGET:

Planning	\$0
Design	\$600,000
Construction	\$1,400,000
Total	\$2 Million

SCHEDULE FOR PIER 70 OPEN SPACE SITES

<u>MILESTONE</u>	<u>SCHEDULE</u>
Planning	October 2013
Design	July 2014
Construction	October 2015
Open to Public	January 2017



WARM WATER COVE PARK

Location: 24th Street East Terminus at Bay

District: 10



PROJECT SCOPE:

This Park is expected to be renovated and expanded as a bay-side open space for gathering, walking, picnicking and historic interpretation. Originally improved in the 1970s, the park is in need of new plantings, site furnishings, pathways and lighting. The park also is expected to be expanded to connect with 25th Street to close a gap in the Blue Greenway and San Francisco Bay Trail network.

SITE DESCRIPTION:

This existing 2 acre park is located along the bay's edge. Currently, it has a walking path, sitting areas, and native shoreline plantings.

PROPOSED BUDGET:

Planning	\$0
Design	\$450,000
Construction	\$1,050,000
Total	\$1.5 Million

SCHEDULE FOR WARM WATER COVE

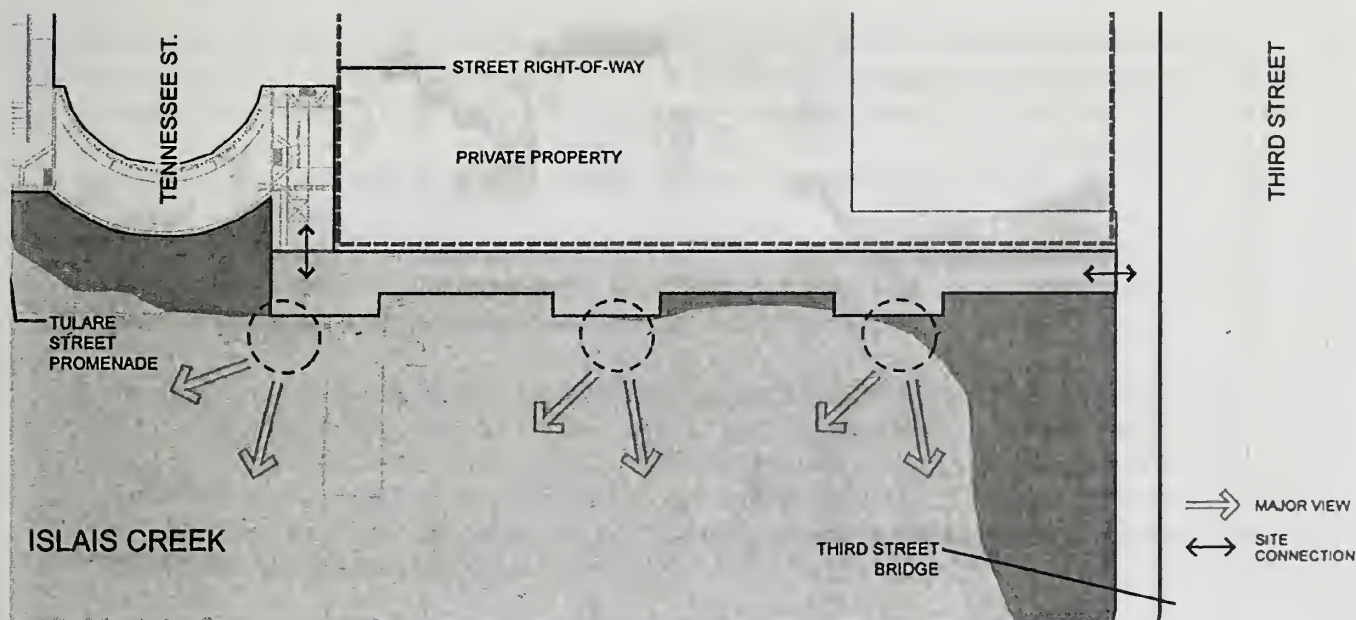
<u>MILESTONE</u>	<u>SCHEDULE</u>
Planning	July 2014
Design	April 2015
Construction	July 2016
Open to Public	July 2017



ISLAIS CREEK IMPROVEMENTS

Location: Northern Shore: Tennessee to 3rd Street

District: 10



PROJECT SCOPE:

Islais Creek Shoreline Access Improvement is expected to complete the pathway system along the northern shore of Islais Creek from I-280 to Illinois Street. New public access would connect the Islais Creek Promenade at Tennessee Street to the historic Third Street Bridge. Improvements are expected to include a new waterfront walkway and scenic look out points.

SITE DESCRIPTION:

This site is currently partially unimproved, but improvements would close a gap in the Islais Creek system of open spaces, the Blue Greenway and Bay Trail.

PROPOSED BUDGET:

Planning	\$0
Design	\$600,000
Construction	\$1,400,000
Total	\$2 Million

SCHEDULE FOR ISLAIS CREEK

<u>MILESTONE</u>	<u>SCHEDULE</u>
Planning	October 2013
Design	July 2014
Construction	January 2016
Open to Public	April 2017





ACCOUNTABILITY

The San Francisco Clean and Safe Neighborhood Parks Bond (the "Bond") includes strict standards of accountability, fiscal responsibility, and transparency. In addition to complying with applicable federal and state legal restrictions, the Bond is subject to a comprehensive public oversight and accountability process.

The following principles apply to all projects and programs funded through the Bond:

- Each of the projects in the Neighborhood Parks program is identified by name and location, with a realistic scope, schedule, and budget (with an inflation factor tied to the time of construction). The Recreation and Parks Department is committed to each of these specific projects.
- The Bond includes specific funding for the Citizen's General Obligation Bond Oversight Committee (CGOBOC) to conduct regular audits of bond expenditures as required by the Administrative Code Section 5.30 to 5.36. CGOBOC will conduct a quarterly review of bond spending in a public hearing and issue an annual report on the bond program to various public bodies including: the Parks, Recreation, and Open Space Advisory Committee (PROSAC), Recreation and Park Commission, Port Commission, Board of Supervisors, and the Mayor.
- The Recreation and Parks Department and Port of San Francisco will jointly present on the Bond's expenditures and the program schedule in an annual public hearing before the Capital Planning Committee. This will allow for public participation and an open forum for the community to provide feedback.
- Proposed changes in budget, scope, or priorities in the bond programs will be presented before the Recreation and Parks Commission or Port Commission, Capital Planning Committee or other regulatory approvals as required, and undergo a public hearing, review, and approval process, should any changes be necessary. These changes will be incorporated into the City's 10-year Capital Plan.
 - If any project in the Neighborhood Parks and Citywide Program categories exceeds its total budget by no more than 10%, then such additional funding may be allocated from Program Contingency funds, subject to approval of the revised budget by the General Manager of the Recreation and Parks Department.
 - If any project in the Neighborhood Parks and Citywide Program categories exceeds the total project budget by more than 10% and up to 15%, then such additional funding may be allocated from Program Contingency funds, pending approval from the Recreation and Parks Commission.

- Any project in the Neighborhood Parks and Citywide Program categories that exceeds the total project budget by more than 15% is required to adjust its scope to within 15% of the original total budget. Then, pending approval of the revised scope from the Recreation and Parks Commission, such additional funding may be allocated from Program Contingency funds, pending approval of the revised scope from the Recreation and Parks Commission. This Program Contingency fund is allocated only to Recreation and Parks projects.
- Any and all savings from projects that are completed under the budgeted amount or which acquire additional revenue from other sources and, as such, require less bond funding than budgeted, shall allocate remaining proceeds or bonding authority to the Program Contingency fund.
- Any remaining funds in the Program Contingency fund at the time of award of the construction contract for the last project will be allocated by the Recreation and Park Commission to one of the Citywide Programs.
- The sale and the issuance of all bonds for projects identified in this measure require review and approval by the Capital Planning Committee and the Board of Supervisors. At least 60 days prior to the approval of bonds after the initial sale and issuance, the Recreation and Park Department and Port of San Francisco will jointly submit a Bond Accountability Report to the Clerk of the Board of Supervisors, Controller, Treasurer, Director of Public Finance, and the Budget Analyst describing the current status, expenditure, and schedule for each project and confirm that expenditures are in conformance with the express will of the voters.
- The Recreation and Parks Department and the Port of San Francisco will each have an accessible and visible portion for their respective websites dedicated to publishing information on the bond program, with status reports on project progress, expenditures, and schedules updated quarterly.



SAN FRANCISCO PORT COMMISSION

**APRIL 9, 2013
MINUTES OF THE MEETING**

GOVERNMENT
DOCUMENTS DEPT

APR 19 2013

**MEMBERS, PORT COMMISSION
HON. DOREEN WOO HO, PRESIDENT
HON. KIMBERLY BRANDON, VICE PRESIDENT
HON. WILLIE ADAMS
HON. LESLIE KATZ**

SAN FRANCISCO
PUBLIC LIBRARY

**MONIQUE MOYER, EXECUTIVE DIRECTOR
AMY QUESADA, COMMISSION SECRETARY**

CITY & COUNTY OF SAN FRANCISCO PORT COMMISSION

MINUTES OF THE MEETING APRIL 9, 2013

1. CALL TO ORDER / ROLL CALL

Port Commission Vice President Woo Ho called the meeting to order at 3:20 p.m. The following Commissioners were present: Willie Adams, Leslie Katz and Mel Murphy. Commissioner Doreen Woo Hoo is travelling. Commissioner Brandon is on jury duty.

2. APPROVAL OF MINUTES – March 26, 2013

ACTION: Commissioner Adams moved approval; Commissioner Murphy seconded the motion. All of the Commissioners were in favor. The minutes of the March 26, 2013 meeting were adopted.

3. PLEDGE OF ALLEGIANCE

4. ANNOUNCEMENTS: The Port Commission Secretary announced the following:

- A. Announcement of Prohibition of Sound Producing Electronic Devices during the Meeting: Please be advised that the ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing of or use of a cell phone, pager, or other similar sound-producing electronic device.
- B. Announcement of Time Allotment for Public Comments: Please be advised that a member of the public has up to three minutes to make pertinent public comments on each agenda item unless the Port Commission adopts a shorter period on any item.

5. EXECUTIVE

A. Executive Director's Report: Monique Moyer reported the following:

- Welcome to Commissioner Mel Murphy

Monique Moyer – For the record, Commissioner Doreen Woo Ho is traveling today. Commissioner Brandon is on jury duty.

On behalf of all of the Port staff and the commissioners, it is my honor to welcome our newest commissioner, Commissioner Mel Murphy. It is my honor to welcome Commissioner Murphy to the Port commission. We now have five Commissioners. We're looking forward to having your expertise as part of our ongoing work. We have been horrendously busy for the last

couple of years. Right now our initial calculations are showing that in the last five years, ending in 2014, the Port will have invested almost \$300 million, in addition to all the private dollars being invested at the waterfront, and so your timing couldn't be better. Thank you for joining us.

Commissioner Murphy, as most of you probably know, is a licensed California real estate broker, a licensed California general contractor, and a successful real estate developer in both San Francisco and Scottsdale, Arizona. He is the owner and manager of Pattani Construction. He is also the founder, director, and chief executive officer of Murphy & O'Brien Real Estate Investments. You may know that he recently served as a Building Inspection Commissioner, appointed by Mayor Gavin Newsom, and elected to the office of president and vice president on that commission.

Mr. Murphy was born and raised in Ireland, and has a lovely brogue. He has traveled all over the world, has come to San Francisco where he was head hunted into the Bechtel Corporation, and immediately sent off to Saudi Arabia, and eventually to the Alaskan pipeline, the North Sea, and Chile before finding his way back to San Francisco and founding two very successful enterprises. He's also a founding member of the San Francisco Coalition for Responsible Growth, here in San Francisco.

We are very honored that you are making time available for the Port. We're pleased to have you and your expertise. We look forward to working with you.

Commissioner Katz - I just want to welcome you as well. I echo the comments of our executive director, and we are thrilled to have you and your expertise here. Speaking as one who joined the Port relatively recently, all things considered, you couldn't come at a better time. It's just tremendously exciting right now. We are thrilled to have you join us, and welcome aboard.

Commissioner Adams - It's a privilege and a joy to have you on this commission. Now we have five commissioners. I was outnumbered here; it was three women commissioners and one woman executive director. Now we got a little balance. I think now we'll go forward and I really look forward to working with you and your expertise.

Commissioner Murphy - I'd say thank God for the women or I wouldn't be here! I received three great votes on the Board of Supervisors by three women. I want to thank Mayor Lee, first of all, for nominating me to this commission, and it's an honor for me to serve. It's an honor for me to serve the city and county of San Francisco. I may not be from here originally, but I can tell you that my soul is here in San Francisco. I love this city. I've just been away for a week and a half, and it was so great just getting back here this morning, back to San Francisco.

I would like to thank Monique for making this transition easy for me, and also Amy, who got my schedule out to Arizona to me, which was great. I have met a lot of the department heads in the last few weeks and I've enjoyed meeting them, and they bring me up to date on what's going on. I'm a newcomer. I don't know very much. I'm willing to be teachable. I want to do what's best for all citizens of San Francisco.

Monique Moyer - Thank you commissioner, and welcome. I suspect you know more than enough to help us out. We appreciate that very much.

- Update on bird discouragement

As you know, last week there was an article in the *San Francisco Chronicle* having to do with osprey nests at Pier 80. The article, unfortunately, was not quite as up to date as we would've hoped. This is a very important issue for the Port and to share with you what the Port has been doing and why we are intent on making sure that birds are protected here at the Port. Jay Ach, our regulatory specialist, will say a few words about this matter.

Jay Ach, from the maritime department - I'm the department's manager of Regulatory and Environmental Affairs. As Monique said, there was a report in the *San Francisco Chronicle* a week ago, and also a short article on KTVU Channel 2 News last Wednesday. There are a few things we'd like to follow up with, and in some cases correct, on those reports.

Ospreys are protected under the federal law called the Migratory Bird Treaty Act (MBTA) of 1918. It's one of the federal government's first environmental laws. This law is enforced by the U.S. Fish and Wildlife Service. The act protects approximately 1,000 species of birds in the United States; their eggs, and under certain conditions their nests as well. For the Port seagulls, i.e., Western Gulls, are what we typically are concerned about under the MBTA, but in this case Osprey also falls under protection of this law.

With regards to bird nests, in conversations with Fish and Wildlife Service staff, there are guidance documents, and also federal and state MBTA management plans consistently indicate that nests that are in the process of being constructed or nests that have been abandoned after breeding season are not active nests, i.e., they're inactive. The MBTA does not prohibit the destruction of bird nests alone i.e., again, an inactive nest, provided that no possession of the nest occurs during destruction. Preventing birds from nesting by knocking down unfinished nests is acceptable to the U.S. Fish and Wildlife Service, which considers this to be non-lethal harassment. This is from a federal document.

This speaks to the heart of the reports concerning Pier 80. You may recall from last spring that we celebrated having a pair of osprey show up at our cargo terminal Pier 80 and nested on top of one of the container cranes. While a serious inconvenience, we shut down crane operations for over six

months to allow the osprey to raise their chicks and then to take wing for the winter. At the end of September 2012, long after the osprey had left, the Port removed the nest from the crane, so that the crane could be operated again. We did this after consulting with the U.S. Fish and Wildlife Regulatory Group in Sacramento, and also after consultation with Golden Gate Audubon.

After the nest was removed the Port placed wiring reflectors and a noise making device on top of the crane, to try to deter the birds from coming back and nesting there again. Additionally, in conversations with Golden Gate Audubon, we floated the idea of constructing an artificial osprey nesting platform, as has been done elsewhere in the country. We suggested Heron's Head Park, just to the south of the terminal areas. Ultimately, that offer wasn't accepted. There were concerns both by Audubon and even some folks in the Port about encouraging raptors, i.e., birds of prey, to go to Heron's Head Park. There were concerns that they might eat the other birds that were already there.

Port staff hoped and remained hopeful that the osprey who came to Pier 80 last year would then go to the container cranes at Pier 96 because we no longer use the container cranes. They've essentially been abandoned, and they're equally as tall and hopefully equally as attractive to osprey as the ones at Pier 80.

This spring our crane crew has been prepping the Pier 80 cranes for testing and recertification, which is scheduled in May. The Port never intended to idle the cranes for osprey nesting season this spring. On March 26, 2013 a birder at the Pier 94 Wetlands, across Islais Creek from Pier 80, noticed osprey at Pier 80. Apparently observing them landing on the same crane used for nesting last year, and carrying sticks. Wednesday morning the crane crew again operated the crane, including lowering the boom. The crane crew observed no nest on the crane prior to the operation, which is not surprising since the nest had been removed months earlier. The crew did find and remove a few sticks lodged in the mechanisms, the sheaves, at the end of the crane's boom. There was nothing on the crane that met, or even approached, U.S. Fish and Wildlife Service's definition of an active nest, at which point the Migratory Bird Treaty Act is triggered.

Perhaps not being aware that last year's nest was long gone, the birder reported to the Fish and Wildlife Service and the media that the Port had destroyed an active osprey nest, in violation of the Migratory Bird Treaty Act. This error was then compounded by media through use of photos and videos from last year's nesting season, which unintentionally furthered the false impression that last year's large nest had just been destroyed. In reality there was no pre-existing nest, and the crane was moved within 24 hours of the first observation of osprey in the area. This is not nearly enough time for the construction of a new nest, much less the laying of eggs.

As I stated at the outset, U.S. Fish and Wildlife has jurisdiction over osprey under the MBTA. Fish and Wildlife Services were obligated to investigate after receiving the call from the birder. After interviewing Port staff by phone, Fish and Wildlife closed their case early last week, and there will be no action against the Port by Fish and Wildlife Service. Furthermore, Fish and Wildlife Service staff indicated that the port is doing exactly what they would recommend, in continuing deterrence, i.e., keeping the cranes at Pier 80 in operation. Fish and Wildlife Service also reconfirmed Port staff's understanding that the MBTA applies only if eggs or juvenile birds are present in the nest, the point at which the Fish and Wildlife Service considers the nest to be active. Again, it's the Port's sincere hope that by keeping the Pier 80 cranes moving for the next several weeks, while the Pier 96 cranes remain stationary, the osprey will conclude that the Pier 96 cranes are a more attractive nesting site and will decide to nest there.

Finally, on a bit of a personal note, as someone who's got interested in the natural world as a very young child, through a very dear friend who taught me about birds and birding when I was just a very few years old. I understand that some people have found this whole episode to be upsetting, and I certainly understand that. This has been upsetting to me as well, for a number of reasons. All of us at the Port do take our environmental stewardship responsibilities very seriously. In this case, it's important to keep in mind that discouraging the osprey from using the cranes at Pier 80, while a momentary interruption to the osprey themselves and a disappointment to local birders, ultimately serves the birds well if they do relocate to an area that's less industrialized, less active, and ultimately more safe for them.

Commissioner Katz - You mentioned an osprey platform potentially at Heron's Head Park. Would there be any opportunity or option of putting up such a platform or similar at Pier 80 or was that not feasible?

Jay Ach - Personally, there are other alternatives for the osprey in the vicinity. Pier 80 is right across Islais Creek from Pier 94 and 96. Not only are there a couple of old container cranes at Pier 96, there are also a lot of high mast lighting poles, which I'm not sure exactly how high they are, but more or less a hundred feet high. They all have a platform that's probably if not six feet square, six by eight feet, which is approximately the size of an artificial nesting platform. There are a lot of places out there for them to take up residence, if only we could speak to them.

Commissioner Katz - I want to thank you for your efforts as somebody who obviously is supportive of our migratory birds as well, and was pleased with how we handled things last year. I also want to thank you for how we're working through this, this year. We hope they will come back and find a more suitable location.

Jay Ach - They're around somewhere. We just don't know where they are at this point.

- Maritime Day – Sunday, April 28, 2013 from 10 a.m. to 5 p.m.

Our first ever 150th anniversary and hopefully not our only Maritime Day at the Port will be on Sunday, April 28, 2013. It will begin at 10:00 a.m. and run through 5:00 p.m. There are multiple events that are open to the public, and we hope to see the public throughout our entire seven and a half miles. Please bring children along and see what you can learn about the waterfront.

There are going to be ten open houses, or special exhibits. The open houses are as follows:

1. The San Francisco Maritime National Historic Park will be open for free.
2. Pier 45, there will be open houses at the USS Pampanito and the SS Jeremiah O'Brien.
3. Pier 3, the Hornblower cruise vessels will be open for touring for free.
4. Pier 23, the America's Cup's offices will be open for touring for free.
5. There will be a special exhibit and tour in the public access area of the Exploratorium. This is separate from the gated area of the Exploratorium Museum, but it will be an exhibit relative to the Port's anniversary.
6. Pier 22½ firehouse will be open for touring. This is not a usual event, so I'm hoping to see a lot of people down there to check out our great fireboats. This is the only firehouse that I'm aware of, in the entire Bay.
7. The San Francisco Giants AT&T Ballpark will be open from 10:30 a.m. to 12:30 p.m. at discounted rates for their tours.
8. The Pier 70 Noonan Building will have an artist open house.
9. There will be open house at the EcoCenter at Heron's Head Park, which will be free.
10. The Pier 52 Mariposa at Hunter's Point Yacht Club will be open to the public for free. You'll be able to see historic diving equipment exhibits and demonstrations.
11. There will be three boat rides and/or tours. The first will be at Hyde Street Pier, the commercial fishing harbor. There will be a public boat tour sponsored by Blue and Gold Fleet, Red and White Fleet, and Hornblower Cruises so we get a chance to see the ports from the waterside. There will be shuttle boat tours emanating along the waterfront, which people can hop on and hop off. There will be kayak and whaleboat tours along the waterfront from Aquatic Park to the Bayview. There will be a scavenger hunt from 10:00 a.m. to 3:00 p.m. along the waterfront hosted by SF Treasure Hunts.

There will be four lectures. The first will be at Pier 39; it will be a lecture at The Marine Mammal Center on the sea lions. There will be three lectures at Pier 1 talking about the history and culture of the waterfront, featuring Michael Corbett, the author of the Port City book; Jasper Rubin, the author of A Negotiated Landscape: A History of the Port and then one from Francisco Da Costa and a number of his folks who are going to be speaking on the

black buffalo soldiers of the West Coast. There will be four films being shown, courtesy of the International Longshore and Warehouse Union. They are entitled, "We Are the ILWU", "The Men Who Sailed Liberty Ships", "The 1934 Strike News Reel and Footage", and, "Bloody Thursday". And of course there will be food and beverage specials all up and down the waterfront. There are 56 restaurants on Port property, and so I'm hoping that you can hit up as many of those as possible in one day. There'll be walking tours, biking tours, so you have every mode of transportation you desire. I don't think we'll have horse and buggy, but pretty much everything else.

We hope to see all of you in this room out there enjoying the port you've worked so hard to create, and bringing your families and your friends, and really celebrating our great heritage. At another meeting I'm going to come back with all of the people who have put this together and show you their faces; but they're too tired to be seen today, so we'll do it after April 28, 2013.

Commissioner Katz - Before you finish on that, is there a URL or some place where the public can go to get that agenda?

Monique Moyer - On the Port's website, there is a 150th anniversary section. The URL is sfport.com/150, and you can find all the information for the Maritime Day. We are continuing to work with many partners so it will continue to grow all the way up until the April 28th day, so please keep checking it out.

- Certificate of Appreciation presented to the Area Maritime Security Committee's subcommittee Members

I have one more late breaking news that is pretty exciting. Today the Captain of the Coast Guard, Cynthia Stowe, on behalf of the commandant of the U.S. Coast Guard, presented a certificate of appreciation to the Area Maritime Security Committee's subcommittee members, which is a group of approximately 20 representatives of different entities, ranging from the ports in the Bay, from the San Francisco Police Department, from private industry to the Cal Maritime Academy, etc.

To paraphrase the award, it states: "The commandant of the Coast Guard of the United States gives this certificate of appreciation to the Area Maritime Security Committee's subcommittee members for their sustained meritorious service in support of the United States Maritime Security from July 2010 to April 2013. The Area Maritime Security Committee's subcommittee members played a major role in the planning and execution of maritime security for the Bay area's two major maritime events. The 2012 America's Cup Challenge Race Series and the San Francisco Fleet Week, which is the largest fleet week in the nation. The committee's efforts not only advanced the safety and security of the Northern California Marine Transportation System, but improved coordination between a wide range of Port stakeholders and government agencies, and ultimately hardened Northern California against

potential acts of terrorism. The committee's contributions are most heartedly commended and are in keeping with the highest traditions of the United States Coast Guard."

This is a great honor to bestow on us as a region, and we are quite proud of that. I want to commend and recognize Sidonie Sansom; who's played a key role in making sure that we operate as a unified sector, not as individuals. It has been very gratifying and rewarding.

- Bay Crossings April 2013 Edition

Bay Crossings is a monthly periodical for free, that is handed out in many places, most especially to ferry commuters. This month's edition has a great feature on the port: what's happening at our waterfront, recognition of our anniversary, and a lot of well wishes from our partners are embedded in the article and in the advertisements. Bobby, on behalf of all of us at the Port of San Francisco, thank you very much for such an important recognition of a great day.

We also have been widely featured in *Where Magazine*. *Where Magazine*, as you may know, is a visitor magazine that is deposited in hotel rooms around the city, 28,000 or so, and in convention packets. It covers the San Francisco waterfront and the Port's anniversary in great detail, as well. We were really very gratified to have not only the recognition of the Port's longevity, but also people who are participating in celebrating that longevity, and celebrating the achievements and accomplishments of the Port.

Francisco Da Costa - I want to speak a little bit about your 150th anniversary and the contribution of the buffalo soldiers to this area. We've been working very diligently with your public affairs person, Ms. Renee Dunn. With the blessings of your director, Monique Moyer, who is encouraging us to give a different perspective to what to place right here at the Ferry Building. We will be joined by a well renowned historian, Anthony Powell, whose buffalo soldier exhibits are taken all over the world. We are going to use a portion of his over 250 photographs that he has allowed us to use. We are going to put our best foot forward. The reason we're doing that is I represent the First People, even though I'm not a Native American. They have chosen me to represent them because of what I've done at the Presidio and in other places. We need to put the whole history of this waterfront in perspective by giving due respect to the First People because this is their land to the Brannan Wharf and what took place over there, and giving respect to the Chinese. I'm going to do whatever it takes to give a better perspective and history of the buffalo soldiers. Others can do whatever they wish to do. We are looking forward to doing that on April 28, 2013. Please bring all your friends to learn about a very diverse perspective, the history, and what so many have contributed to this great city and county of San Francisco.

B. Informational presentation on Pilot Donor Recognition Program for the Port of San Francisco at Piers 27/29.

Monique Moyer - We are joined today by Michael Martin of the Office of Economic and Workforce Development, and Kyri McClellan of the America's Cup Organizing Committee. I will turn it over to them to make the presentation.

Michael Martin - I am the America's Cup Project Director in the Mayor's Office of Economic and Workforce Development. Since January of 2011, when I came on in this role, I've overseen the city's efforts to deliver on its role as the host city for the 34th America's Cup, which is starting July 4th and running through September of this year.

My role today will be to give a little bit of a context, based on the road that this has taken to get here today. This item stems from the ongoing partnership that we've had, from the city perspective, with the Port, as well as with the America's Cup Organizing Committee and Kyri McClellan, their CEO, will speak after I do. The prime directive of my role, throughout this effort, is to not only put on an event that really satisfies what people see as a San Francisco values kind of event in terms of environmental responsibility, in terms of economic opportunities, in terms of reaching out to the city and to the people who visit it but also to look at ways that this temporary event can create legacies. The benefits to the city beyond just this somewhat narrow three months of excitement that we're going to see this summer.

I've been gratified and excited by the types of ideas and the types of energy that have come around that second piece, that legacy piece, because it brings a lot of heft to the thinking that brought this event here in the first place, that it's not just a fleeting moment in time, but it's something that will enhance the waterfront for years to come.

Back when the host agreement was first signed, there was a basic financial blueprint in that host agreement, that the city's operational costs were going to be defrayed from a combination of fundraising revenues for the America's Cup Organizing Committee's philanthropic fundraising campaign, and event-related tax revenues, which were analyzed at that time and we continue to analyze going forward.

On the capital side, there was going to be two key funding sources, one being for the cruise-ship terminal and other related port facilities. The port was actually going to step up and pay for those costs. Then separately, at Piers 30/32, there was a real-estate deal where the America's Cup Event Authority was going to do the capital project to upgrade that facility and then would be repaid through the ongoing real-estate deal.

So that was sort of the blueprint but we've moved forward from there through environmental review and through subsequent agreements, and the picture has changed somewhat. We've tried to uphold those pillars of how this event was supposed to come together.

In March 2012, the Commission and the Board of Supervisors approved the final lease-disposition agreement and the project as it was evaluated on environmental review. At that point, there was no longer a real-estate transaction with the Event Authority, but rather we had reconstituted the financial plan around the prior pillars that still remained, so an ongoing fundraising program, an ongoing recognition of tax revenues, and the port seeking to do the appropriate upgrades to venues to be able to host the event.

At that time, the port also evaluated expanding the circle of activities it was going to do in terms of capital work at Piers 30/32 and other locations on the port. That was evaluated through the port's capital plan as improvements that were going to benefit the event, but also to create this legacy of ongoing improved use of port facilities.

Over time, there have been a number of agreements between the city and the general fund and the port as to how certain things were going to be paid for, both on the operational side in terms of day-to-day operations during the events and preparations for the events, but also, on the capital side, for certain narrow improvements that weren't going to be paid for by the port. These revolved around some items at Pier 29, some improvements, including the end wall to the renovated Pier 29 facility. This is going to be useful as we move forward. Looking at it now, we've seen approximately \$3.3 million of costs that the general fund was going to pay on behalf of the port, either in respect of lost rent from your lost tenants, these capital improvements at Pier 29, and then other consulting costs and tenant-relocation costs. Of that amount, \$300,000 has been paid from the general fund to the port and has been reimbursed by the ACOC through its existing fundraising thus far.

We're looking ahead to now say what's the next step in our fundraising program. After the America's Cup World Series events in 2012, we learned a lot not only about how to host the events, but we also learned a lot about how we're packaging to people to support these events, not only with the philanthropic fundraising, but also to bring people to San Francisco to enjoy this event in San Francisco. We've worked hard to translate those lessons into actual strategies.

On the fundraising front, Mayor Lee in particular, and his staff more generally, worked with us and with the America's Cup Organizing Committee to understand ways to enhance the fundraising program. We've seen the event footprint and the needs of the event consolidate as the number of teams and the number of projected spectators has come down. At the same time, there are still obligations to host what we hope is a showpiece event for San Francisco.

Mayor Lee is looking forward to how this event is working and looking forward to other potential opportunities such as this event, hopefully, in the future, if, indeed, we are chosen as the host city, but things like the Super Bowl, national conventions for political parties, other things that bring people to San Francisco

and into our economy. How can we use the lessons learned from the fundraising piece of America's Cup to do that better?

We've worked with ACOC and the mayor's office to focus on this new civic engagement brand called OneSF. So no longer is it narrowly tailored to just the cup, although right now OneSF is really focused on celebrating the cup. To the extent we can, we can use this to message what it is, as a city, we want to get out of these events and how we want to get there so that we have an existing roadmap for the next bid that requires this type of civic partnership, this type of philanthropic fundraising.

That's been a real boon because people have seen that no longer are their questions revolve around what is it I'm supporting, when I may be there for a couple days of the events, but it'll go away. You're supporting San Francisco and making this event create the benefits for the city that we deserve.

Today we wanted to outline something that we've been working on with port staff and with members of the ACOC, members of the mayor's staff, the city attorney's office, to craft what we can do to recognize those whose generous donations have allowed us to put on the event in the way that it was imagined back when we were selected as the host city.

When I talked about context, first of all, I'm excited about getting your feedback on what we're talking about, but second of all, to be clear about what it is we're talking about. The mayor made some comments after question time as this idea was coming together, and I think they were picked up by the newspapers. People let their minds run about are we selling naming rights to say some corporate entity is now sponsoring the Ferry Building or sponsoring the cruise terminal. That's not what we're talking about at all. What we're talking about is the same type of commemorative recognition of generous donors that you see at other public cultural facilities, at other public open spaces around the city.

Through the course of this role and learning more about the port, I see the port as coming into this. I saw the port as this great place but it's a cultural facility. We heard the list of things that the director named off that are happening on Maritime Day and all of the social history of the city and the economic history of the city that's bound up in this area. Because the port could use this as a legacy to create its own philanthropic giving program to help with deferred maintenance, to help with upgrades to open space and cultural facilities and people learning more about the port, that's what I would love to see as a legacy of this America's Cup.

It's those two legacies that are sort of intersecting in the presentation today. With your feedback, we'd love to take that, work more on the idea, and come back to you for an action item later.

Kyri McClellan will talk more in detail about what we're talking about today.

Kyri McClellan - I'm the CEO of the local organizing committee for the America's Cup and I appreciate the opportunity to share the work that we've been doing. Commissioner Adams, I think we were last together on the train when the America's Cup train rolled into town. Here we are trying to build on that.

First I also want to thank the director and her staff for helping give this some shape so that we can be here today and get your further input. What I'm going to expand on is what Mike Martin was talking about, which is OneSF Celebrate the Cup. It's a joint partnership between the city and county of San Francisco and the organizing committee to support the city in hosting the 34th America's Cup. I tried to detail some of this in the staff report that was supporting this item that explained the America's Cup Organizing Committee is a nonprofit that was formed out of the bid to bring the America's Cup here, and that we have a series of obligations in the host and venue agreement that at their root, are helping the city to succeed in hosting the World. Principally among that is raising funds through philanthropy, but also building awareness of the community and legacy benefits. Those dovetail. The more that people know about how San Francisco is capitalizing on this opportunity, the more inclined they are to support the effort.

We are using three different tactics right now as part of OneSF Celebrate the Cup. It represents an expansion of our activities from the first two years that we were working on this. One is the individual and family foundation philanthropy. Those are individuals and families in the greater Bay area that want to support the city and support our effort. They've made donations. We've realized a little over \$6 million in donations in that category to date. We launched, at the end of 2012, early 2013, a local corporate donor program, again under the title OneSF Celebrate the Cup. This is an opportunity for local corporations to support this effort.

The last piece is donor recognition and that is what we're here to talk to about today. We're calling this a pilot donor-recognition program, in part because this hasn't been done at the port before necessarily in this form. We want to capitalize on the opportunity that we have with the America's Cup to step forward and see if we can create this as a legacy. It certainly is done in many other places in San Francisco and is a model within philanthropy.

You don't have to look very far in our public parks to see benches or community centers or facilities named after individuals, families, or, in some instances, local companies that want to support that particular park or facility. Many of you have probably been to the new Exploratorium. There are many alcoves and hallways and exhibits that bear the names of many of San Francisco's most generous families. Many of the cultural institutions, as Mr. Martin referred to, employ this tactic to help them raise funds, whether it's for a capital campaign or as part of their ongoing operations.

It can take many forms. This is the recognition assets under consideration. Specifically, we're looking at Piers 27/29 and the James R. Herman Passenger Cruise Ship Terminal, as that is going to be the site of the America's Cup park

this summer. Those facilities are first going to be leveraged for the America's Cup, but will have a legacy for San Francisco as the James R. Herman Passenger Cruise Ship Terminal, as the Northeast Wharf Plaza and Park, and the other amenities that will be there in time.

We feel that there are sites within the terminal, if you're talking about, perhaps, an event space or a staircase or an alcove, that would be appropriate to recognize a donor contribution. The exterior spaces on Piers 27/29 we're still working with the port staff to evaluate what will be appropriate there. Sites within the Northeast Wharf Plaza, there are currently about 55 or 60 benches that are planned as part of that park. There are some planter boxes, grove of trees, the lawn. There's going to be a walkway that would be appropriate, maybe, for a brick program. We're looking at all of those assets to see what would be appropriate and what would the market be interested in supporting.

We're proposing it as a pilot donor-recognition program, in part because the port doesn't currently have a formal donor-recognition program. We want to capitalize on the interest. The port and the city have done so much through the planning and preparing for the America's Cup. There is a great story to be told here. There are assets that are going to exist beyond the Cup events themselves. Preparing for the Cup was the catalyst, but the legacy benefits live beyond that. It creates an opportunity for individual investment and for folks to affiliate with the port. If it's successful, which we think we're setting it up to be, we would apply those lessons learned in the pilot and replicate it elsewhere in the port, if that were deemed appropriate. We've been in communications with the port staff about what that might look like going forward.

The timeline that we have in mind is we're here today to get your feedback, to get the public's input. We would work to develop the pilot program guidelines and finalize the list of assets. We'd come back as quickly as possible and get formal approval of the program and then, again, promote this around not only the events, but also, this is a pretty important anniversary for the port. With the 150th anniversary, that's a great opportunity, as well.

The installation of any donor recognition principally would come, especially those that are in the Northeast Wharf Plaza, when that park comes to life, which is upon conclusion of the America's Cup events. The property comes back into the port's control, and then they initiate phase two, and they build out that park. We would do the installation at that time.

Tom Radulovich with Livable City - My understanding is actually the Northeast Wharf Plaza, the one at Pier 27, was paid for with the bond measure. Wasn't that part of the park's bond? So if the public's building it, they're the ones that should be acknowledged, not private donors. America's Cup is an event, a private event, and it's great that you want to acknowledge the donors but I think there's probably a more appropriate location than on a park that's built with public money.

Catherine Hooper – I'm a citizen who is supporting any Maritime events activities in the Port of San Francisco. Have you put your toe in the water at all to see if any donors are standing in the wings or if there's any enthusiasm? Is this something that if the Commission agreed to, will we have enough timeframe to go through with getting it?

Kyri McClellan - Yes.

Commissioner Katz - I had a couple questions. One, in terms of the timeframe and being more specific about the potential assets and the site location, will that be coming back to us at our next commission meeting?

Kyri McClellan - We'll bring it back when we have it completed. I'll work with the executive director on exactly which meeting that is. We have a little bit more work to do.

Commissioner Katz - I was just trying to figure out an overlap between our meetings and your timeline. Could you articulate a bit more about some of the legacy benefits to the city? You alluded to them, but if you could give some more specifics.

Mike Martin - What I've learned in defining legacy in this project is the legacy starts with the brick and mortar, the cruise terminal that the port staff and DPW and Turner Construction put together that will be there for a long time, welcoming people to San Francisco. That's the easiest sort of touch-and-feel legacy but there's a lot beyond physical legacies that we've seen. We've seen a lot of exciting working relationships sprout forth with things like regional transit and opening up new partnerships, working relationships with people like the Coast Guard. We had the earlier item, them extolling the port's good work on that. Working with local neighborhood organizations to link them to the waterfront in a way that hadn't been there before, reintroducing a new group of people to both visitors and locals to what the waterfront has to offer.

I could list off each of those categories but this is one of those potential intangible legacies that not only people can look back and say, "This was a great moment in time," but I would like to say could work with the port to say, "This is the next initiative that this kind of program can bolster and move forward."

Commissioner Katz - To date, have there been any reimbursements as a result of the program and your efforts?

Mike Martin - As Kyri described, there has been an ongoing philanthropic fundraising program. That program has paid \$6.8 million towards the global amount of city costs. Of that amount, 300,000 have come to the port in respect of some prior tenant-relocation activities and some other consultant work. We're expecting another \$3 million to come forward in terms of that work at Pier 29, and also lost rent from different things that will probably peak over the course of

the summer. We obviously will have additional event-management activities going forward that we'll have to defray.

As Ms. McClellan described, we're not resting on our laurels hoping philanthropic comes in. We're looking at every way to maximize these revenue streams and take the burden off the public revenues for this event.

Commissioner Adams - First of all, I appreciate your presentation. I've only been on the commission six months, but there's been a renaissance happening not only from the America's Cup, but with the Exploratorium, the Giants, the James Herman Cruise Terminal, Pier 70, Pier 50, the whole city. The Port of San Francisco has a new swagger to it. I don't even like to look at it as San Francisco anymore. I look at it more as a region. I call it the Bay Area.

Donald Trump said it best. He said, "Since you got to use your brain to think, think big." I like the big thinking that the port has under the leadership of Monique Moyer. You made some mention about having the Democratic Convention but I could even see us having the Olympics here one day. Maybe 20, 30 years from now, San Francisco will host the Olympics. We are perfectly positioned on the world stage. The eyes of the world have opened in San Francisco. We've brought them in.

With regards to America's Cup, have we reached out to the community? Because one of the things that were mentioned to me was I want to make sure that people don't look at it as sailing as an elitist sport that it's for kids at Hunter's Point. Anybody can come down to the port, because we're asking even people in this community to come down to the port. This port belongs to every citizen in San Francisco. How do we engage them and tell them that "This is your city. You need to have some input. You need to come down. You need to be engaged."

That was one of the things I wanted to say in the executive director's report. We're celebrating 150 years. A lot of people in this city don't know about the port. It's right here in their backyard. We have a goldmine right here in this city. The whole world knows about it. I would like more people to know about it. What are you guys doing to reach out because I like what you're doing.

I want the community to be more involved. I want them to say, "I can get my head around the America's Cup and racing. I want to know about it and what it can do for this community five, 10, 15 years from now." I like where you were going about the benefits down the line. That resonates with me.

Mike Martin - It resonates with me, too. We've heard that throughout this process. Most pointedly from supervisors whose districts don't border on the port. What is this bringing to my constituents? We feel that as part of the charge of the city, to link all of the city's neighborhoods to this wonderful waterfront, all the things you listed, you could probably list 10 more, of really great

improvements that we've seen on this waterfront. Reintroduce the city to what we have here.

As part of this job, I learned a lot about the port. It created a hobby. A couple weeks ago I finally sat down and watched Saving the Bay from front to end and learned all about the people at BCDC who I was butting my head against. I learned about all the great things they've done to create this great space and all the great things the Port of San Francisco has done and the State of California has done.

There's an education component. I'm very excited about the 150th anniversary and the way it's going to educate people on how this place came to be. The America's Cup is doing a lot to educate people on the America's Cup. We want to tie those things together because this is where it is.

I would love for it to come back. I would love for the Olympics to come, because there's no place like the San Francisco Bay area. If we can prove that we can do it, no one can compete with San Francisco. Part of doing it is bringing people to the waterfront for this event.

Kyri McClellan - Also with respect to the community opportunity and inclusion points that you raised, one of the points in my presentation about OneSF and Celebrate the Cup, and also duty that the organizing committee feels, is the opportunity to promote the opportunity to participate in the event.

There are members of our larger team that are here today that are actively working to push out into the neighborhood newspapers the schedule of events. The events are open and free to the public, for 55 days of racing, where you don't need to buy a ticket. You can go down to Marina Green public park. You'll be able to go to the America's Cup facilities at Piers 27/29 and watch the racing for free. We need to further promote that, create invitation for people to come down and be a part of it.

Also, as funds that we are raising, we have a partnership with the Treasure Island Sailing Center, which is a great program that seeks to serve those that are underserved. They work with a number of nonprofits throughout San Francisco and the Bay area to get kids out to learn life skills and have the opportunity to learn not only about sailing, but use that as a leverage to teach them more things. We're using this as an event to capture the interest in the America's Cup and in sailing and get capital improvements done to their facilities out there, get them a classroom, some new boats, and then expand their capacity for at least a year after this.

That's our effort not only to raise money for the facilities and police and transit and port and port bodies, but also for the larger community. It's a slice of it but I think the event itself will offer more opportunity.

Commissioner Adams - I appreciate your feedback and your due diligence. At the James Herman Terminal, will it be known that the Port of San Francisco has been a moving force, and it should be standard to all. That needs to be known, that the men and women working here at the port and the long hours have really pushed this project. That's where we're at today, because of their hard work. I would like that to be recognized. That's important to me, that the Port of San Francisco is front and center out there, The whole world knows, because it's in San Francisco.

Kyri McClellan - We have not only the Port of San Francisco, but a whole host of government agencies that we see as OneSF partners. Not only on our Web site, but the larger story that we're telling about the event. We're going to feature the work of the port, the work of the police department, the work of BCDC, the work of Rec and Park, helping the city pull this off. Definitely within the OneSF Celebrate the Cup universe, we'll be featuring that and those benefits.

Commissioner Katz - You were mentioning making the event more accessible to everyone in the city, I think one of the things, Mike, you alluded to was lessons learned from the prior races and how the plans changed a little bit to expand opportunities during the upcoming races to see the races from Marina Green and keep some more activities there and keep that a focal point, because it worked out so well the last time. I assume that's one of the lessons learned that was alluded to.

Mike Martin - We learned that there is an attraction even though you can see the event from an almost infinite number of places around the Bay, there is an attraction to event-related announcing, event-related concessions, event-related programming. Because the larger boats that will be racing this year move faster, they're going to have a larger race area. The finish lines will usually finish off of Piers 27 and 29 but the far leg is still going to be close to the Golden Gate Bridge. There's going to be a whole array of places you can watch them.

The Event Authority's going to use Marina Green as another focal point. They're going to increase the seating capacity so it's not just the front row of people that get to see, and no one behind them get to see. We're going to make sure the transit opportunities, in particular going from Piers 27 to Marina Green, are there, because that's not a link that we had to make last year. We're working with regional operators like Golden Gate Transit and the F line to make sure that it makes it all the way to the loop at the end of Fisherman's Wharf. All of those link tying together.

We learned a lot last year. We'll learn a lot in July, too, because we'll have a whole new installation at Piers 27 and 29.

I certainly am excited for the port to put its best foot forward in the way that Commissioner Adams mentioned. I don't want to miss an opportunity to extol the amazing work by the port and its partners in bringing that project forward on time

and on budget. You don't hear that every time in city government. You did it with the eyes of the world on you. I think that's great.

Mel Murphy - To what extent have you reached out to big businesses downtown, and what has their response been?

Kyri McClellan - We just launched in late last year the local corporate partner program. Without belaboring a two-year history of how the partnership was working, we kind of got control of the local market again late last year so we rolled out the OneSF program.

I'm hopeful in the next 30 days we'll be announcing some of our official partners coming on board. Because we're in the middle of contract negotiations, I'm not going to namedrop any until we get across the line on those. We have had great response from a number of companies. You won't be surprised by the brands, ultimately, that are standing with us and supporting us. That really is around the local corporate donor program and is somewhat independent of the donor-recognition program that we're looking at for the facilities here at the port.

Commissioner Murphy - My office is on 24th Street and Noe Valley. We hear nothing about America's Cup. I agree with Commissioner Adams about it being an elitist sport. A lot of people in San Francisco, they just see boats down there in the water, and that's about it, as far as it goes. You're going to have to get big businesses involved to get the real money to move this forward.

Kyri McClellan - Thank you. I appreciate that direction. I do not disagree that we have our work cut out for us and promoting this at the community level. You reminded me of one other point. On the donor-recognition piece, we have both some in-house expertise with my organization. My director of development, Elaine Asher, is here today. Elaine worked on similar recognition programs at SFMOMA and the Cal Academy of Sciences. We have some in-house expertise in that regard.

We were leveraging some of the programs that the Parks Alliance, which is the nonprofit that supports the Recreation and Park Department. They have a donor-recognition program. We're looking at best practices there, as well as working with partners who've worked with the Giants and otherwise on brick programs. We're trying to build that both in-house and external expertise to inform what we're bringing.

Commissioner Katz - What do you foresee are some of the challenges or obstacles facing us as we move forward?

Kyri McClellan - Any time you're doing something new, you're figuring it out as you go along. Now, we're leveraging where this has been done elsewhere. If you take for example the Exploratorium or Cal Academy or a cultural institution that has a base, a large mailing list from which to draw upon when you're rolling out a program, whether it's a low-recognition point or larger, you already know who

that constituency is. This is going to be not only a new terminal, but a new park. There isn't necessarily that inherent existing constituency to do a mailing to, per se.

We'll work closely with the port staff and look to port tenants and neighboring community groups and advisory groups and people that have been so invested in the waterfront for the last 150 years. There certainly are particular families or Maritime businesses or industries that are part of the port's history that we would be reaching out to. It will be a challenge to find exactly that niche of folks who want to be recognized in this way.

6. MARITIME

A. Informational presentation on the commercial maritime activities of San Francisco Bay Railroad located at 100 Cargo Way @ Pier 96 rail yard.

Jim Maloney, Port's maritime staff - Welcome, Commissioner Murphy. I'm here to introduce David Gavrich of San Francisco Bay Railroad, who is going to give the fourth in a series of presentations on port maritime businesses. David will talk about the port's commercial rail activities.

Before I introduce David, I would like to give you a brief overview of the port's rail business myself. Let me start off with a couple of questions. Did you know the Port of San Francisco is the western terminus of the nation's transcontinental railroad? Did you know the Port San Francisco operates its own rail locomotives?

To address the first question, mile post 0.0 of the old Southern Pacific, now Union Pacific Railroad actually sits right outside the Ferry Building, or used to sit right outside the Ferry Building, and was the point from which all other mile posts in the Southern Pacific, now Union Pacific, system measured their mileage. In fact, it still is in use today so all the mile posts throughout the system are measured from in front of the Ferry Building.

As for locomotives, the port owns two locomotives built in the 1940s that have recently been refurbished by San Francisco Bay Railroad. They still move rail cars around the port today. People are generally surprised to hear that there is still active freight-rail service in San Francisco. The city's last freight class 1 rail service comes into the port, served by Union Pacific Railroad.

The rail line not only serves an important role in the port's cargo business. It also provides an important lifeline to the city in the event of an emergency, if relief goods or rebuilding supplies need to be transported into the city. Cargo-shipping activities today are located in the port's far southern waterfront, down in the Piers 80 through 96 Maritime industrial complex. The port's rail infrastructure is all down in this area of the port.

The San Francisco Bay Railroad Railyard is located on Cargo Way, adjacent to the Piers 90 to 96 backlands. Pier 80 is the port's break-bulk general-cargo facility, which is served by a rail across the Illinois Street Bridge.

Pier 92 handles liquid bulk exports of tallow for Darling International, for their plant on Amador Street. Darling often brings additional product from other plants in the U.S. to supplement exports by tanker rail car to Pier 92 for loading onto ships or export. They also do domestic distribution from their location by tanker rail car, as well. Pier 96 is the site of a planned bulk-export facility at the port.

Highlighted in green in the map is the current port rail infrastructure. This is all in that same Piers 80 through 96 Maritime industrial area of the port.

San Francisco Bay Railroad has supported numerous construction projects in the bay area. They also tracked, received, and interchanged to Pier 80 the America's Cup train that brought the America's Cup World Series boats and equipment into Pier 80 last summer. A couple of the Commissioners were not only at Pier 80 when that was brought in, but also came in on the locomotive from the rail yard to Pier 80.

Last year San Francisco Bay Railroad handled over 250,000 tons of rail product or nearly 2,000 rail cars, which represented a 64 percent increase over 2011, and also represented over \$400,000 in direct revenue to the port.

Total railcar activity reached a high in 2006 and started to taper in 2007, as the local market softened. Railcar activity increased sharply over the past two years, as the local construction market, in particular, has improved.

The Port of San Francisco and San Francisco Bay Railroad work together to market the port for rail opportunities. One commodity we are pursuing is bulk iron ore through Pier 96 bulk-export facility. We continue to develop the bulk-export iron-ore opportunity at Pier 96.

I want to personally thank Commissioner Adams for taking a trip to China with Peter Dailey and myself last month. We made some excellent contacts with trading companies and shipping companies that were interested in importing iron ore into China in particular, and also were very supportive of this project.

This diagram shows a rail-expansion design concept that Union Pacific Railroad has actually signed off on that would support an export-handling facility at Pier 96 and the rail yard. The green lines represent new trackage at the rail yard and loop track down at Pier 96. This is a design concept for that area. We hope to have further update on this exciting opportunity to report back to the commission in the very near future.

I'd like to introduce David Gavrich, the president and CEO of San Francisco Bay Railroad.

David Gavrich, CEO and president of San Francisco Bay Railroad – Welcome Commissioner Murphy.

As Jim was saying, the city and county and the port have a very rich history, historically, of freight rail. Since rail came to the West Coast back at the turn of the century, you'll see that rail cars were coming past the Ferry Building all the way out to the Presidio. In fact, a little unknown secret is that the tracks are still in the Marina Green. They went through Fort Mason Tunnel freight cars went all the way out to the Presidio. So if Muni ever wants to increase the passenger ridership for tourists going out to the Presidio, it would make a lot of sense, and you can see a picture of a train going through Aquatic Park and headed for the Fort Mason Tunnel in the lower right hand of this picture.

Freight declined when container business went over to the port of Oakland pretty dramatically. The last of the major freight went out of the Port of San Francisco in the mid-1980s. We then came in in the early 1990s with the idea that construction projects were happening all around San Francisco.

When you put an excavator in the ground in San Francisco, you're going to generate old earthquake fill. That is classified as contaminated material in California. Our idea was, instead of putting hundreds or thousands of trucks on the road, to use the rail line to take that to facilities that can handle it in Utah, Idaho, and Oregon. Our business was born back in 1992. We've been working with the port for over 20 years now. In that 20 years, we've shipped over 3 million tons of this kind of material from the Bay area.

Rail, as you hear in the commercials on BNSF and CSX on radio and TV, a rail can move material much more efficiently with much less fuel than trucks. We have saved, in the period we've been working, over a million gallons of fuel that would have otherwise been burned in trucks. That reduced toxic emissions by over 22 million pounds.

Here are some of the construction projects that we've taken material through the port and out by rail. You see some recognizable places. The Gap headquarters in the upper left. The port's own South Beach Harbor and the South Beach Park. The ballpark, the portside development, literally hundreds of construction projects we've been able to compete for lowering their costs by handling their excavated soils more efficiently.

In 2000, we became the port's short-line railroad. In 2002, we inherited the port's old locomotives, which are 1946, the first diesel locomotives after the steam era. We inherited them. There they are when we inherited them on the left side. We sandblasted and set up a paint tent for them. Then you can see them restored on the right side to their former historic splendor. They run like absolute tops.

In 2005, we converted those locomotives from diesel to biodiesel. With the help of Eric Smith, who is our director of community relations, we were able to be the

first railroad in the United States to run our locomotives exclusively on biodiesel. We had invited the California Air Resources Board in from Sacramento to help us work on this program. They literally put a million dollars of test equipment on these locomotives before we converted and then tested various blends of fuel. They wrote the first report in the world on converting old locomotives from diesel to biodiesel. That has been an absolute great thing for them and for us.

In 2007, we've been covered on Wired Magazine and NPR and the local news channels about replacing the typical use by a railroad of toxic herbicides to keep vegetation down. We didn't want to do that so we brought in a herd of goats. We have been operating that herd of goats out on port property for the last six years. Other agencies in the city heard about it. So we send them out to Park and Rec. We send them out to the fire department. We send them out to DPW. Goat grazing has become kind of an entity in and of itself.

We pride ourselves as we are literally in the business of sustainability. As I said, we partnered with the Air Resources Board. We have a herd of goats to keep the vegetation down. About four years ago, we brought in some bee hives. We have our own port honey that you'll be able to sample today.

It's literally a labor of love for our employees. Most of those employees are local. This is just a summary of what we did. Jim had touched on it. We did 2,000 rail cars in 2012. That's 200-plus-thousand tons of material. We offset both use of fuel emissions, and most importantly probably to the port is we generated hundreds of thousands of dollars of revenue, without any subsidy.

We're very proud of the fact that in 12 years of operating the railroad, we've had 48 regulatory inspections, and we haven't had a single violation or citation. That's not a tribute to me. That's a tribute to our personnel, of which three of our managers are here, Eric Smith from community relations, Jacob Studer, our director of rail operations, and Larry Frias, our CFO. They are part of our management team.

I mentioned local. We are in the business of training personnel to be in railroad careers. We have had several of our trainees and our employees hired by the larger class-one railroads, BNSF, UP, CSX. BNSF you may have heard about. That's the one that Warren Buffet bought last year with his Berkshire Hathaway company. We feed some of our employees into very good, long-term careers in the railroading business. We're very proud of that.

The majority of our employees can either walk or bike to work. I have a five-minute commute to work from my home in Bernal Heights. Our employees live locally. It seriously cuts down on the carbon footprint of your operation.

We buy our goods. We lunch in the neighborhood of Bayview-Hunters Point. The port has a requirement that local businesses use at least 60 percent community local truckers. We use over 90 percent. Virtually all of the truckers we use are locally based. They're Human Rights Commission certified. We've

always had a commitment to the local neighborhood. We feel that our success should be a success shared by the community.

We continue to support construction projects in the area. We are working with the port staff on iron ore. Anchor Brewing is a very exciting opportunity. They announced at Pier 48 a new expanded manufacturing facility. They are extremely interested in shipping out to the East Coast and other places in the United States by rail from the port. We're working very closely with them. Steel and lumber are other things. We feel we have a very bright future working together with the port.

I started my career here in San Francisco, working at City Hall in environmental programs for Mayor Feinstein. I coordinated with the port. At that time, there was a port executive director named Gene Gartland. Since that time, there have been 12 executive directors and staffs behind them. I have to say, I've known many of them, and I've said this to the Board of Supervisors, so this isn't new. This is a dream-team staff that you have. You have a fantastic staff. All this happening on the waterfront does not happen by accident. It happens because there's a great team. It's been an honor for us and a privilege to work with them.

Commissioner Katz - One thing that occurred to me in terms of the work that has been done to reduce emissions is, given the cap-and-trade opportunities in California, is there any potential for revenue generation through carbon offsets?

David Gavrich - Tremendous opportunity. Unfortunately, the first wave of the cap and trade is not for transportation but that's coming. That's what we call the low-hanging fruit of emissions reduction. Because we can actually beat, economically, trucking and be at 90 percent reduction. You get savings economically, and you get a 90 percent reduction in emissions. What could be better than that? But it would be great if, in fact, the support of the state and of cap and trade and the refineries now are coming to us and saying, "We're going to do it even before cap and trade happens for transportation." Cap and trade for transportation is going to be icing on the cake for both trucks getting more clean and for people looking at a different mode to ship.

For example, the Transbay Terminal is taking hundreds of thousands of tons of steel to build. That should be transported by rail or barge, not by truck. Things are happening, and cap and trade is going to help.

Commissioner Katz – It's probably a loaded question. You wouldn't happen to share any of that offset income with the port, would you?

David Gavrich - By us? In terms of our rent structure, it's a rent structure based on our success. The more cars we ship, the more the port gets paid because they get paid for every rail car that goes out. If cap and trade helps us, cap and trade helps the port, revenue wise.

Commissioner Katz - I want to thank you on two fronts, one, just for being such a terrific tenant and for all the good work that you do, and also to thank you for acknowledging our staff. Because I certainly feel that way about the folks that work at the port, but it's nice to have outside corroboration. Thank you for that.

David Gavrich - It's absolutely true.

Commissioner Adams - First of all, I appreciate the presentation. What really strikes me is what you've done is jobs, jobs, jobs. That's what the citizens of San Francisco want. They don't want to hear a lot of talk. They want jobs. I really like that. Secondly, what really resonates with me is local hire, not bringing somebody in from out of state. People here in San Francisco. There are a lot of people here with a lot of money but there are a lot of people in this city that are hurting so I appreciate that. I also know that you go to lunches, have dinners at places where you're giving back into the community. I really appreciate that.

This is for Commissioner Murphy. Working with Jim and Peter in the Maritime division, what we're trying to undertake is do a major reform of the break bulk industry as far as maritime in the Port of San Francisco. When we were in China last month, we went to the largest break-bulk facility in China. Shanghai is the largest port in the world. Thirty million containers. It's on another level. It's up there. It's like me and Tiger Woods and I can't golf. It's a different level. He's up there, and I just can't even figure out what to do.

There's an opportunity for the port. Commissioner Murphy, one of the problems that we're having is that, clearly, we got to have great connections with the railroad. In China, they spend more money in one month in infrastructure than we do all year. Unfortunately, our politicians in DC, they can't seem to get focused. We have a goldmine right here if we can get the infrastructure money. I've been working with Senator Schatz, Senator Boxer, Senator Murray, to really get focused on the port, especially these West Coast ports.

We could have a lot of Maritime in iron ore. China is looking to get away from the big companies like BHP, Rio Tinto and Xstrata. We got companies here where we could export. It would provide jobs for this community. We would be known as a place that we employ people in this community and the work you're doing.

I also want to give kudos to the staff. I'm being a little biased here, but I've been in this business 35 years. I've been in ports all over the world. Monique Moyer is one of the best port directors I have seen, bar none, in the world. She has a great staff and I say that without apology.

Commissioner Murphy - Thank you both for your presentations. It's very educational for me. I was very ignorant as far as what you guys do. It was a real eye-opener for me. I appreciate it.

David Gavrich - We'd welcome you coming on down to the railyard and taking a locomotive ride. We'll show you around the port on a locomotive.

Commissioner Murphy - I'd love that.

Commissioner Katz - Not too long ago, Jim Maloney gave a water tour for me and Commissioner Adams. The one thing that really struck me was the tremendous opportunity for expanding these operations. Now every time I look out on the water, I recognize the tremendous numbers of ships that are out there that are waiting to bring in product for us. I want to just applaud you for your efforts to seize an opportunity. This really is something that will be a chance to make our port unique in improving.

Jim Maloney - There is an opportunity for bulk export. There's a dearth of bulk-export facilities in the West Coast. We've been more oriented to receiving goods into the U.S. than shipping them out. Companies like China now are producing a lot of things, and they need raw materials from everywhere they can find them. They're now focusing on the U.S. and seeing that there's a lot of opportunity, iron ore and other products, here. If the market can shift a little bit more and we can continue to develop our project, I think we do have a good opportunity.

We've been developing good relationships with the various parties, like Union Pacific Railroad and the shippers, the mining companies. We need the market to shift a little bit more in our favor. We've got a good opportunity for that pier.

For the break bulk at Pier 80, there's a great opportunity for bringing more steel and other products direct to rail, onto rail cars and out to the U.S. via the rail infrastructure. There's also a lot of projects that are ready to get underway here or are underway, like the Transbay Terminal project or the Apple Computer headquarters project, Central Subway. We'll be receiving the first tunnel-boring machine into Pier 80 next week for that project. We plan to issue a press release on that.

There's a lot of opportunity to bring the product via water or if it's domestically sourced, bring it in by rail from domestic sources. A lot of the Trans Bay Steel needs to be sourced domestically by the federal funding. We want to take advantage of it, whether it's domestically sourced or international

Francis DaCosta - I've known David for 14 years. I've also known Commissioner Mel Murphy. I appeared before him when he used to sit on the Building Commission with my very good friend Joe O'Donaghue. When I first saw you, I said, "That's not the commissioner." But when you spoke, I said, "Yes, that's that jolly good fellow." David and I go a long ways. What's good about David is he's a trained master planner. As a director of environmental justice advocacy, we meet sometimes. We talk a lot. We address issues, mostly environmental issues. Recently, I went all over Europe, they sponsor, they foster, they encourage people to travel by train, like the euro rail. They have a whole multitude of trains that travel at various speeds. For some reason, after we built our freeways, we took to the cars or the vehicles that use fossil fuel. We know that that doesn't pay good dividends.

We are blessed. You should go and see those goats over there. One year he had 26 kids. I said, "David, what do you feed these goats with?" David is always looking at different type of opportunities linked to sustainability. He is also a soccer coach. He gives a lot of time to young people. Those are the type of people we need. People who have a good heart. They take you to a good place.

I was about to leave after the last presentation, but David came up to me, and I said, "What are you doing here?" He said, "Oh, I have a presentation. So, I said, "I give you some of the Irish luck. Because I see my commissioner over there."

Commissioner Murphy, I would like you to visit David's place, and maybe one day visit my office. We need to talk about a lot of things in the last frontier, buildings, transportation, and other good stuff.

Commissioner Murphy – I would love to do that.

7. ENGINEERING

A. Informational update on Pier 27 Cruise Terminal for use during the 34th America's Cup Events and other matters relating to the 34th America's Cup Events.

Kim von Blohn, port project director of the cruise-terminal project - I'll discuss completion of phase one of the project and our plans for phase two. After that, I'll introduce Daley Dunham, who will talk about the handover of the facility to the America's Cup Event Authority and its event plans.

I'm proud to announce that our project achieved substantial completion for phase one ahead of schedule, on February 28, 2013, and received a temporary certificate of occupancy on the same day. One month later and 11 months ahead of schedule, we received a final certificate of occupancy. We exceeded our LBE participation goal of 17 percent by 7 percent. In addition, we exceeded our federal SBE goal of 25 percent by 4 percent. The projected final construction cost will be approximately \$48.5 million, which is under our authorized budget of \$50 million.

There are still two items to be completed in this phase. One is the energization of the shore power system. You can see on the right hand of this picture is a gray boxlike item that's part of the 45-ton transformer and the switch gear, which was relocated from another part of Pier 27 when we demolished that part of the building. Although this is installed and hooked up, we can't complete this item until we have a cruise ship in the end of phase two in 2014, because we need this to do the final commissioning and testing.

The other item is the installation of the Port of San Francisco sign on the roof. Preparation of the roof is underway, and installation of the structural support system will commence this week. There's a mockup of the letter "A", which stands six feet, six inches tall. We needed the mockup to decide whether we

should have the white border on there or not. We needed to see it from a distance to check that. These letters will be installed the last week of May, and the sign will be completed in June.

This slide shows the Port of San Francisco sign on the top of the building. It's on the right-hand side, or we call it north side, of the cruise-terminal building. In order to maintain port's warranties of the building and equipment in the period from the America's Cup Event Authority takeover of the facility until the end of phase two, port retained a Turner building-maintenance engineer to provide preventative maintenance of the facility. The normal maintenance will be carried on by the America's Cup Authority. But we need the preventative maintenance to ensure our warranties remain intact.

Upon completion of the America's Cup events in November 2013, the project will start phase-two construction. This work will consist of finishing the remaining portions of the cruise-terminal building. These are internal to the building, which include the U.S. Customs and Border Protection facilities. It will become like an airport in phase two, where you go through customs, and there's baggage checking and handling. This is carried out by the U.S. Border Patrol.

In addition, the scope will include build-out of the Northeast Wharf Plaza, which will be, on the left-hand side of the facilities along the Embarcadero. This is a two-acre public park, funded by GO bonds. On the right, the North Point will get completed.

The ground-transportation area, which is the triangle form between the new cruise terminal building and Pier 29 on the right, will have water-catch base grading and water-catch basins installed, as well as other green features that filter the water system. On the apron side, which runs along the water, again, they'll be catch basins installed there. They'll be a new fender system, which offsets the ship from the wharf. They'll be new high-capacity bollards for holding the ship in place and, finally, a gangway system which connects from the ship to the terminal at the upper level.

Design drawings have been completed for this work and issued for a building permit. In addition, prequalification of subcontracts is underway. Bidding for the initial subcontractor long-lead bid packages is planned for May 1, 2013 with initial awards planned for mid-June 2013.

Review of a draft construction schedule is in progress and indicates Turner can achieve substantial completion of the building and site work in August 2014. Completion of the mobile gangway system could take up to the end of the year. However, the project-management team is working to identify means and methods to condense this schedule.

Daley Dunham, Port's special-projects group and coordinator for the 34th America's Cup project – Welcome, Commissioner Murphy.

I'll start off with a quick correction. As my colleague, Mr. von Blohn said, the sign schedule currently would have been completed in mid-June but as we handed over the cruise terminal to the Event Authority, we had settled on everything but a single issue, which was the exact timing of erection of the sign. In fact, when we entered into the license, we left that piece of it explicitly unresolved. There are conversations going on about that but it is not yet finally determined. It will go up. It's just a matter of whether it's before the events start on July 4th or after, as part of phase two.

In this rendering that you're seeing here, we did take a look at the cruise-terminal sign, what it would look like. The focus of the shot is going to be off the northern end of it, where the Victory Pavilion is going to be. This is a fuller rendering of what's expected. You'll note there big super yachts in this shot, where so far they only have six booked, but it's still going to look pretty impressive. Club 72 out on the far end was also missing from the previous rendering.

The Event Authority is starting to do their tenant-improvement build-out inside. They've submitted, about a week and a half ago, their building-permit plans for the port process. Staff have come together on a concurrent review process, which is moving these things forward at previously unimagined speed so we're making do.

This is some more detail about what they have planned. First, on the bottom floor, starting on the Embarcadero side, the sports bar, which is going to operate during normal business hours and have special events in the evenings. Out of an abundance of caution, I plan on personally inspecting that facility myself, maybe more than once. The second piece is going to be an espresso coffee lounge, for lack of a better term. They'll have other partners there, too but that'll take up the centerpiece of the first floor of the terminal. The stairway and escalator is going to be reserved for the VIP suites on the second floor, which we'll come to in a minute.

Then the entirety of the bottom floor that remains is going to be for the media center. These work stations will accommodate 350 foreign and domestic journalists. They'll have private interview rooms here, exterior space for interviewing after races, and it's just if they want to get outside, and then a press-conference theater for all of their formal announcements.

The top floor is going to be divided into five large suites for sponsors, located in these five spots. So far there are two that are going to be pretty much permanent for the duration of the event, Alexis and Charles Schwab. They're actively seeking corporate partners to make use of that other space.

It comes next to a series of renderings that just came from the Event Authority today, as part of their branding package. Some of these have not been seen. They certainly haven't been approved by the port but they're conceptual. We're getting a first look at them.

The next slides are both imaginings of what the VIP suites are going to look like, the first facing the Bay Bridge, this one facing Alcatraz. This is the proposed entryway into the park. These are the west and east views of the terminal itself. As you can see all of the glass on the top on the second floor is going to be branded with a thin film that they can reproduce graphics on. It all looks very nice.

There's branding in the water. This is the first they have proposed something like this. We haven't really had a chance to review it. There are going to be a lot of super yachts docked there, so I'm not sure how visible that would be. I presume they'll find ways to get it into their camera shots.

Lastly, this is what the entryway to the VIP suites on the top floor will look like. They have reserved stairwells and escalators for those VIPs. It looks like they're actually going to brand on the steps themselves, which I thought was pretty innovative.

Lastly, the Victory Pavilion, where they will have their main focus of awards presenting and most of the focus of the television footage immediately following the events.

That's what we've got so far from them. These are the latest plans, as presented today.

Commissioner Adams - Good presentation, guys. Since you've turned it over to the America's Cup, are they responsible for any damages or anything happens to it while it's in their use? How is that worked out with the port? Is there some assurance or something that they will be responsible to take care of? My other question is that Kim mentioned that we'd get it back, and then we'd start phase two, and then it would be ready to go April of next year.

Kim von Blohn – It will be ready in August.

Commissioner Adams – It will be ready August of next year?

Kim von Blohn – Yes, except for the gangway.

Daley Dunham – Regarding your question about damage. The Event Authority is responsible for returning the cruise terminal to us in exactly the shape they got it in. There was a thorough inspection of the facility just before we handed it over to make sure that anything that happened afterward, there could be no claims that it existed prior to them taking possession. We have that in place. Also, the retention of an engineer to maintain the facilities, the complicated new ones, the escalators and the elevators, is there specifically to maintain the warranties of those systems so that those aren't diminished by, say, non-licensed repairs or something that would cut the life of those systems shorter than they need to be.

Commissioner Murphy - What's the square footage on the sports bar?

Daley Dunham - I have thought about this, actually. The espresso space is about 5,000 square feet. I think the sports bar has got to be at least 10,000. That would be my approximation, looking on the previous drawing.

Kim von Blohn - Regarding Commissioner Adams' question about the completion of the facility, we are fine-tuning our schedule right now, but it appears that August is a good target date for substantial completion. The next question that begs to be asked is, well, if you have the terminal done, and you don't have the gangway, what happens? The way the facilities here in the Port of San Francisco work right now is if there's a ship coming in from a foreign country, they get cleared on board the ship. Then as they clear, they come down off the ship into the baggage hall, pick up their baggage and leave. We would have to ask the customs border protection to have the same method until we get our gangway set up, and at which time they would clear in the building.

Commissioner Adams - The reason why I asked that, Kim, is that I'm really excited about this project. I have a lot of passion about this. We had about 250,000 passengers last year, people that cruised through the Port of San Francisco. I'd like to see us get up to half-a-million passengers, even a million passengers. Because we have over 3 million people each year that ride our ferries, if you were going to stop somewhere, why would you want to stop in LA? If you or somebody that's on a cruise ship, you would want to come to San Francisco. This is the best city in America to come to explore. Could it handle 500,000 passengers, if we had the business for cruise ships? Is it built to do that mean?

Kim von Blohn - We have facilities to handle comfortably up to 4,200 passengers per ship. It is a one-berth facility. It can take one large ship at a time. But we have many days that are open where there aren't any ships. In that event, we hope to sell it as a special-event space.

Commissioner Katz - I also want to thank both of you and, as always, thanking all of our staff that has worked on this project. It's one that we're obviously very proud of, especially when it came in on time and ahead of schedule.

You mentioned there was one item that is still somewhat in transition, which is the signage. It strikes me that that would be part of the building. Was that in the original plans for the building?

Kim von Blohn - It was in the original plans. We had the infrastructure for it in the original plans. The sign was debatable whether it would be in phase one or phase two but we've elected to move it into phase one.

Daley Dunham - And I can just add one addition to that, that the individual items, how they were phased in phase one or phase two, there is a history of that being fluid. At one point, the Event Authority had requested that the heating systems

be moved from phase two to phase one. We were ready to accommodate that request. They ultimately decided that it was too expensive to do that. But it's how we've treated this process all along.

Kim von Blohn - Some of the other items moved from phase two to phase one were the elevators, escalator systems and the full lobby enclosure. For cost purposes, we had moved those to phase two. It became evident we could accomplish those in phase one, and we did so.

Commissioner Katz - Does the agreement say anything regarding the signage being in phase one or phase two?

Daley Dunham – No, the agreements are silent on exactly when.

Commissioner Katz - What happens if we disagree with the America's Cup folks on the timing of putting our signage up? What recourse is there? What's the process?

Daley Dunham - The host and venue agreement has in it a dispute resolution clause, which has mediation locally through JAMS but that's nonbinding. There is a provision for binding arbitration that goes to the International Chamber of Commerce Court of Arbitration. It is specifically delineated what the avenue would be for seeking an adjudicated result.

Commissioner Katz - Looking at the pictures, it doesn't look like it's incompatible with any of the signage that's going to be going up on the building, at least from the drawings that we're shown. How many other donors do they have that have given over \$10 million?

Daley Dunham – I believe they have two that are in that category. There are two others and a whole bunch that don't meet that same threshold.

Tom Radulovich, Livable City – I'm tempted to comment on the irony of the super yachts blocking the Louis Vuitton billboard on the waterfront, but I won't. I wanted to talk about the public open space, because it's relevant both to this issue and then the next item on the agenda. This project, according to the BCDC special-area plan, the port's own plans, it was supposed to have two open spaces, the northwest waterfront plaza, the publicly-funded one that we were talking about earlier that'll be up against the Embarcadero. On the other side at the end of the pier was supposed to be a public open space. I don't know if you've all had a chance to go out there. It's really wonderful. The views out there are magnificent.

Unfortunately, the decision to put the cruise-ship terminal here and then the changes in Homeland Security rules mean that that public open space at the end of the pier won't be accessible whenever a cruise ship is in. They've got to completely block it off, and they can't let people out there. So what it created for

the port was, in essence, an arrears of open space that the port now owes, per the general plan, more open space.

I'm on the committee, and I believe Commissioner Katz is, too, to figure out where should that open space go? Could we enhance other open spaces? Could we create an open space that will, in essence, compensate for the fact that that open space at the end of the pier will be lost to the public access when the cruise ships are in the terminal?

One of the options, of course, is the open space that already exists just behind this building. What we're hoping is that that process will be allowed to go forward and that that'll be the decision-making process and there are a lot of stakeholders involved. Members of the public can come as well but to figure out if we need to swap open space and keep everybody whole, have this cruise-ship terminal function here, but also make up that lost open space elsewhere, that that's the venue, at least the venue that we've been told is going to be the group that are going to vet and then ultimately recommend to you what the open-space plan should look like and how to keep everything in balance, go back and amend the BCDC area plan.

The port has an obligation from BCDC. They said, "Yes, go ahead with this, because you're on a short timeline for the America's Cup. But you owe us a compensatory open-space plan to balance out the whole proposal." When we come to that next proposal, I think one of the great places to put that open space would be just behind this building. But we need to do it, whether it's behind this building or in another location. That is now an obligation of the port and of the city, per their agreements and per their plans.

8. PLANNING AND DEVELOPMENT

A. Informational presentation on Ferry Building Plaza Activation Proposal by Equity Office Partners.

Dan Hodapp, Port's Planning and Development Division - Equity Office Partners (EOP), the leaseholder of the Ferry Building, has approached the port with a plan to activate Ferry Plaza, which is the open area on the water side of the Ferry Building. The plaza, which supports many of the necessary functions for the Ferry Building and surrounding users, is within EOP's long-term leasehold, which runs until 2067.

Currently the most known user of the Ferry Plaza is the Saturday farmers market that is run by CUESA, a tenant of Equity Office Partners. Other permitted uses on the plaza include commercial loading and service for the Ferry Building's 70 tenants, valet drop-off for the Ferry Building and the Ferry Plaza Limited Partnership building that is located at the far east end of the plaza, public access, emergency and service-vehicle access, and special-event use.

EOP is proposing a pilot project or activation plan, as they describe it, to conduct various public events and in doing so, they would observe user patterns and successes. They would improve the Ferry Building loading and service operations and provide interim parking in the plaza. The plan contemplates more activities and contemplates improvements to enhance public enjoyment, such as seating and lighting. It proposes parking. Jane Connors of EOP will present this plan. I want to note a letter that we received today from the organization Livable Cities, a copy of which was provided to the Commission.

Port staff are pleased that EOP is taking the initiative to improve and enhance the plaza as a more meaningful public space. As EOP's plan takes form, EOP will meet with citizen committees, business stakeholders, ferry operators, the businesses in the areas and others, and the Bay Conservation Development Commission (BCDC), to address the regulatory concerns and the permit that exists on the place right now. All this would be done prior to returning to the commission to seek approval of any fundamental changes to the property or to the lease.

Jane Connors. I'm the senior property manager for the Ferry Building. First, I want to thank the port, stakeholders, and community partners for lending us support and insights in the last few months, as we refined and drafted our Ferry Plaza Activation Plan.

I also want to remind people not only are we responsible for the Ferry Building, but we are stewards of the Ferry Building, and it is a cultural institution. Anybody that's involved in the waterfront realizes that responsibility. We are also responsible for the Ferry Plaza. 49,000 square feet of the Ferry Plaza, from the Market Bar driveway to almost to the FPLP building and the Golden Gate Ferry Terminal is our property. We're responsible for all sorts of maintenance issues and repair issues, including deck and sub-deck responsibilities.

As we know, today the Ferry Plaza is a beloved destination for locals and visitors. It's visited by 25,000 shoppers on Saturdays between 8:00 a.m. and 1:00 p.m. It has 7,000 to 10,000 ferry passengers a day. As you can tell, we have a lot of great local shoppers here and a lot of great local shoppers of tomorrow but it's also a hectic place. As Dan said, it's a delivery zone. It's a service area for BART, Golden Gate Ferry, FPLP, ADA drop-off for ferries, and of course, Ferry Building deliveries. We receive upwards of 250 deliveries today.

The mission for our activation plan is to bring more people to the waterfront, create a multipurpose approach to the Ferry Plaza, and make it a world-class destination, and to lend excitement to the area and provide a path towards sustainability.

As we researched and pondered designs, we saw comparable examples, like Bryant Park in New York, Pioneer Square in Portland and SF parklets. While researching these great public places, we came to discover prototyping, which is studying how people and design work in great urban spaces. Some great

examples of this include Governors Island in New York, which, in the last few years, was given back to the public and the improvements have only been the addition of movable furniture and also, the reconfiguring of Times Square in New York, where movable barricades corral traffic from certain areas, and movable folding chairs were placed randomly for people to use as they see fit.

So how do we get the Ferry Plaza there? How do we start this prototyping? We are proposing a discovery phase of 18 months, a phase in which we try new programming and modest initial improvements. During our discovery phase, we'll observe how people define and use this space, rather than us designing this space and letting people discover how to do it.

As I said, we know the Ferry Plaza's beloved and visited by 25,000 shoppers on Saturdays, when we program a farmer's market on it. But what other civic traditions can we do and possibly program here? So we are proposing movie nights, night markets, tango dancing, roller skating on the back plaza, afternoon jazz festivals, Sunday antique markets, ice-cream socials, and harvest festivals. During this programming, we are proposing phased public improvements that include adding better lighting, free Wi-Fi, providing colorful barricades that define pedestrian areas, and placing the movable chairs and tables on the plaza.

Our operating expectation is to operate the area with a variety of programs during the discovery phase, explore sponsorship opportunities, for example, a solar-lighting company or Wi-Fi providers, and refine the permitting process for these events, and define upfront the programming requirements.

Monitoring and evaluation are key in measuring our success. We plan on conducting online surveys, attendance counts, and meeting with stakeholders on the back plaza after each event. We also want to deal with the corralling the deliveries with the barricades. That will allow us to define the delivery area so that we can better manage all the multi uses of the plaza.

Parking is part of this proposal. We are proposing to manage and operate 64 parking spaces on the back plaza. The parking would be operated Monday through Friday, 9:00 a.m. to 7:00 p.m., and also when there's no programming. It would be attendant managed. The revenue from the parking over the 18 months would underwrite cost of the improvements.

These are some of the site plans that show the movie setup and a possible night-market setup.

Dave Stockdale, executive director of CUESA - We are the operators of the farmers market that brings those 25,000 people on Saturdays, plus an additional 5,000 to 10,000 people on Tuesdays and Thursdays, in front of the building. We love the way we can activate the space, but we would love to see even greater public engagement and activation of the space when we're not using it, because we want this to remain a destination in the view of the city every day of the week.

We fully support this proposal, because we believe it would be to the benefit of everyone who operates from this site to have these additional activities, movie nights, dancing. All those kinds of thing would simply add to the attractiveness of the site. We fully support that. We would also love to see some of the other improvements that would benefit our operation, such as better lighting, Wi-Fi access so sellers can actually take credit cards on the back plaza on market days. We would love to see movable tables and chairs so that guests to the market and these other activities have those opportunities to linger on our site.

We also believe it's very reasonable that a managed parking program be explored as a way to both support businesses on the other days of the week in the building and as a way to generate the revenue that's needed to fund some of these improvements that want to be explored here. We fully endorse this activity.

Tom Radulovich, executive director of Livable City - In 2003, I was chair of San Francisco's sales-tax committee and we put a lot of money towards a bunch of public-transportation improvements in San Francisco, including putting money towards this Ferry Terminal.

Because I saw then and I still think incredibly strongly that this plaza should be a grand public space. It is the most transit-accessible part of San Francisco's waterfront. You've got a train running under us right now, the Embarcadero BART station, Muni station. It's the terminus of all of Muni's lines. We built the waterfront streetcar. We are expanding ferry operations out here. So it's an incredibly transit-rich place, probably the most transit-rich place in the West Coast, and probably two or three most transit-rich places in the entirety of this continent. That's its real strength.

If this was an activation proposal that we were discussing today, we'd be all for it. We love activation of this open space. It should be a great public open space. Unfortunately, what you have before you today is a parking proposal. As Ms. Connors said, this will be parking most of the time. Every weekday it'll be parking for 12 hours, and then occasionally on weekends so when it's not programmed, the default is parking.

I wrote in our letter there's a zillion policies which say don't put parking over water. They say don't put any new parking over water, and then we should gradually be removing the parking that is over water. This is a step backwards. This is actually saying, okay, let's take a place that is actually not dedicated to parking now and turn it into a parking lot. That'll generate thousands and thousands of vehicle trips across the Embarcadero each week, Herb Caen Way, so people walking and cycling along this very, very important stretch of waterfront. You're going to have all these cars crossing that right of way. It makes people less safe. It draws traffic to the neighborhood. It's not in keeping with any of your plans.

I've actually included some of the policies in there. I was hoping staff would present the sort of policy context here. They're kind of playing dead on this one. It's there and trust me, this is completely contrary to policy. Of course, it's a lost opportunity. This should, really be a great public open space. We have consistently supported creating good open-space plans and then seeking public funding for those. We supported both parks bonds and actually supported the inclusion of projects in both of those parks bonds. Let's plan a world-class public space that is not a parking lot most of the time but that's a public space. It would draw so many more people to the Ferry Building. Can you imagine the setting? All of the transit, a little bit of enhanced bike and pedestrian access. It's an incredible, incredible opportunity.

To turn this open space into a parking lot is just shameful. No city worth its salt would do that to a public open space with this many amenities, with this many strengths, with this many advantages. Let's have that public discussion of what this plaza wants to be when it grows up. Granted, it's not what it should be but it should be something great. Let's also do it in a way that's in keeping with the city's values, with the port's policies, with the port's plans.

Bobby Winston - I own Bay Crossings, the newspaper that Monique mentioned earlier. I also own a store here in the Ferry Building, also called Bay Crossings. We sell the ferry tickets there. I'm enthusiastically in favor of what Jane is proposing. In fact, you know, Jane is our Monique. We're very lucky to have Jane Connors at the Ferry Building. She is just wonderful. It's long overdue.

I share with Tom Radulovich, somebody I admire a lot, his grand vision for this plaza. It's shameful that it's as crude as it is. My vision has always been Centennial Park in Chicago, a grand public space, the doorstep to San Francisco. But there's a long way between us and that a couple-hundred-million dollars. I have been knocking my head against the concrete of trying to galvanize the port for Tom's vision. I look forward to talking with you about it at lunch more. What Jane is talking about is an important intermediate step. Parking is anathema to me, as well. I don't agree with many of my colleagues here at the Ferry Building about its importance but we need it now. There needs to be some sanity regarding the traffic that's out there right now. This is a good plan. It's an important plan. It's an overdue plan. I look forward to harnessing the admirable energy of Tom Radulovich in terms of realizing his goals for the long-term vision, because they're important. I want to see it happen. Please help us do so by approving this plan.

Commissioner Adams - First of all, this item doesn't require any action because this is just an informal presentation. I would hope that Commissioners Katz and Murphy would agree. I would love to have Commissioner Woo Ho and Brandon and all the commissioners here. We really need to have a discussion. I appreciate the presentation. I appreciate democracy for and against but I'd like a little bit more information.

The commissioners will need to talk. I'd like to hear what Commissioner Murphy thinks. He understands real estate probably a lot better than a lot of us. There are a lot more questions that need to be answered. I hope that we hold it over so that the commissioners have a great discussion with the staff as we get more information about it, for and against. I'm sure people will hit the mike again and I welcome both sides..

Commissioner Katz - I concur with Commissioner Adams's remarks. I'm also excited. This is something I've long wanted to see that area utilized for other activities. I know I've had some discussions about the opportunities presented to expand, usage of that open space, nighttime activities, festivals, music, etc. I definitely appreciate the work that's going in that direction. It is long overdue.

There are definitely some issues that I do want to explore. I'm concerned about our legal obligations with respect to some of the policies that were raised and addressed. I wonder if that could come back to us, as well, at a future meeting, how that would all play in. I'm excited about the opportunities and look forward to seeing this get better utilization during many more hours and really being the attraction that it could be. Thank you for the presentation and for all the work that went into it.

9. FINANCE AND ADMINISTRATION

A. Request approval of bond sale and supplemental appropriation for the first issuance of 2012 Clean and Safe Neighborhood Parks General Obligation Bond. (Resolution No. 13-16)

Elaine Forbes, Deputy Director of Finance and Administration - As the commission is well aware, in November 2012, San Francisco voters approved proposition B, the 2012 Clean and Safe Bonds, general-obligation bond, to fund both Rec and Park projects and port waterfront parks. This general-obligation bond measure of \$195 million includes \$34.5 million for port projects, open-space and park projects.

For the benefit of our new port commissioner, I wanted to give a little bit of background in our parks network and open-space plans. The map in front of you shows three types of port projects. The first one shows the major park spaces that were completed prior to voter approval of general-obligation bonds. It was over several decades that we accomplished these park improvements through public/private partnerships, redevelopment funds, and some port funds.

For the first time, San Francisco voters approved general-obligation funds for port projects in 2008. This map shows park projects that are receiving funds from that bond issue. That bond provided \$33.5 million. You'll see on the map the completed Pier 43, Bayview Gateway, Heron's Head Park, and the under-construction Brandon Street Wharf project.

The proposed sites for the 2012 Clean and Safe Neighborhood Parks Bond investments were Pier 43, the Northeast Wharf Plaza at Pier 27 and the Pier 27/29 tip with Vista Park, Crane Cove, and Pier 70 parks, Warm Water Cove, and Islais Creek.

This graphic illustrates that the 2012 investments, combined with the 2008 bond, is allowing the port and its neighborhood stakeholders to plan, but now to implement, this network of open spaces along a continuously walkable waterfront. You can really see that with the support of the voters, we're able to take our parks and open spaces to the next level. We're very grateful for that investment.

The purpose of this item today is to get your approval for the first sale of the 2012 bond measure and its allocation to park projects. Specifically, we're looking for a \$17 million allocation to the Northeast Wharf Plaza and Piers 27/29 tip, \$600,000 to Pier 70 parks, and \$600,000 to Islais Creek improvements, for a total of \$18.2 million. This proposal reflects the funds that we will need in the next two years, before we will go for the second bond sale, which is tentatively planned for late 2014.

The slate of bond projects that we will accomplish through this 2012 GO bond is planned to be completed over approximately five years, beginning early this year and concluding with the last park closeout at the end of 2017.

There's quite a bit of detail in the report. The Northeast Wharf tip total project cost of \$17 million. \$4.1 million reimburses funds already expended for design work and construction. The planning is complete, and the design is currently being completed and underway. The park is scheduled for completion in January of 2015.

Pier 70 park, \$600,000 in this bond sale to fund design work. These Pier 70 parks could include slip-bay parks, Entry Plaza, and machine-shop courtyard and Central Plaza. We're looking for projects that maximize benefit to Pier 70 and to the community. We estimate completion of these projects in January of 2017.

\$600,000 in this proposed sale for Islais Creek improvements to fund design work. The project, we estimate, will be completed in January of 2017.

In summary, staff has prepared a plan to create this network of waterfront parks and open spaces, building on the work that's already been begun from the 2008 GO bond investment. We're looking now to sell \$18.2 million in the first bond sale, the lion's share going to the park at Pier 27 and the tip at 27/29. We'll return to you in the future for the second bond sale to complete the investment in these other park and open-space projects.

Commissioner Katz - I'm actually pleased to see that it looks like almost everything will be done in the next two to five years, as proposed. To me, that's just tremendously exciting to see what looks to be a rather rapid turnaround to

getting all this developed. So very excited about that. Going back to phase two, I wonder if you could articulate a little bit more some of the projects that would be coming in phase two and if there's any funding that could be coming in prior to the issuance of the bonds to start any of that. Or is that all dependent on the bond issuance?

Elaine Forbes - You mean for the subsequent bond sale?

Commissioner Katz - Yes.

Elaine Forbes - The subsequent issuances really are for Fisherman's Wharf Plaza. We're looking for continued improvements in that area related to the arch. We're going through a community-planning process to figure out how best to direct those dollars for Agua Vista Park, Crane Cove Park, and Pier 70 parks and Warm Water Cove and Islais Creek improvements, so the Blue Green Way, Pier 70 park improvements. David Beaupre can answer many more questions about those specific projects. We don't see needing those funds in advance of the second sale, which is why I'm not requesting the funds today. I'm going to ask David to give a few words about the second issuance.

Commissioner Katz - Where I was going with that with respect to the second issuance is there more than just about the timing and if there'd be a need.

David Beaupre, Planning and Development - You'll see in the first issuance that there is planning money in place for Pier 70, the other parks other than Crane Cove Park so that's within the first sale. That'll allow us to continue with design work and see how we can best leverage those resources. In addition, there's design work for Islais Creek improvements, which, again, is initiating the planning and design work for that.

The second issuance would be for the construction and implementation of those projects, for both Warm Water Cove and Agua Vista Park. Aqua Vista is closely linked to the new Bay Front Park in Mission Bay, as a part of that. We wanted to make certain that we don't start that process too early without understanding fully what the Bay Front Park shoreline project's going to look like. For the Warm Water Cove Park, we felt that we could benefit from waiting until we see how more of the eastern neighborhoods and those other parks develop.

Lastly, for the \$8 million for Crane Cove Park, we're using 2008 bond funds for the design and planning of that, which is underway. That last \$8 million would go towards the construction of the project.

Elaine Forbes - The city is willing to entertain earlier bond sales, or we could link up with another department, selling bonds, if we advance these projects quicker than we think at this point. We never want to sell the debt before we're ready to spend it, within a time horizon. Should things become advanced or change in the horizon, we can go back and request earlier sales but we don't want to oversell.

Commissioner Katz - That makes sense. At the risk of sounding like a broken record, I'm still hoping I'll see a dog park show up at Warm Water Cove. Again, I'm just very excited. I know we all went through a lot of time, effort, and focus to ensure that we put together a good plan for use of these bond proceeds. I'm very pleased that the public saw fit to support that. I just want to thank all of you for the efforts.

ACTION: Commissioner Adams moved approval; Commissioner Murphy seconded the motion. All of the Commissioners were in favor. Resolution No. 13-16 was adopted.

10. NEW BUSINESS

Monique Moyer - Commissioners, other than the return of the item on the Ferry Building Plaza and a couple of the other items which will come back on their own schedule, is there any new business?

Commissioner Katz - None from me, other than we're pleased to have Commissioner Murphy with us.

Commissioner Adams - I second that.

Monique Moyer - I want to thank you, Commissioner Katz, for chairing the meeting on short notice. You did a fabulous job. I appreciate all of you being here today.

I forgot to mention this when we were talking about the port's birthday earlier. We have our home-plate ceremony at the San Francisco Giants ballpark right after our next commission meeting on Tuesday, April 23, 2013. I thank you all for being willing to start our meeting earlier, which -- we are going to look at our agenda and see if we need to do that. Our plan would be to be able to terminate the meeting by 6:00 p.m. so that we can all get over to the ballpark with time to spare. Hopefully that will work for you. To that end, we're keeping the agenda manageable for the April 23, 2013 meeting.

We've got a few things to work on coming out of this meeting, coming back with the EOP item and the donor-recognition program. We'll be managing that over the next couple of meetings. I hope you'll bear with us, just trying to balance everything we have going on in the next couple of weeks.

Commissioner Katz - I'd misspoken when I said were they going to come back on the donor-recognition program at the next meeting. I was thinking at our May meeting. Now, I get why you were panicked.

Monique Moyer - Our May 14, 2013 meeting calendar is shaping up pretty robustly, so we're going to be managing that. We just have so much coming forward to you. Thank you for your endurance and your commitment.

11. PUBLIC COMMENT

12. ADJOURNMENT

ACTION: Commissioner Adams moved approval to adjourn the meeting;
Commissioner Murphy seconded the motion. All of the Commissioners were in favor.

At 5:45 p.m., Port Commissioner Leslie Katz adjourned the meeting.

SAN FRANCISCO PORT COMMISSION

Doreen Woo Ho, President
Kimberly Brandon, Vice President
Willie Adams, Commissioner
Leslie Katz, Commissioner
Mel Murphy, Commissioner

Monique Moyer, Executive Director
Phone: 415-274-0400; Fax 415-274-0412

Amy Quesada, Commission Secretary
Phone: 415-274-0406; Fax 415-274-0412

SPECIAL MEETING AGENDA TUESDAY, APRIL 23, 2013 1:30 CLOSED SESSION 3:15 P.M. OPEN SESSION

PORT COMMISSION HEARING ROOM, SECOND FLOOR
FERRY BUILDING, SAN FRANCISCO CA 94111

PLEASE NOTE THE DATE & TIME OF THE MEETING

The Port Commission Agenda as well as Staff Reports/Explanatory Documents available to the public and provided to the Port Commission are posted on the Port's Website at www.sfport.com. The agenda packet is also available at the Pier 1 Reception Desk. If any materials related to an item on this agenda have been distributed to the Port Commission after distribution of the agenda packet, those materials are available for public inspection at the Port Commission Secretary's Office located at Pier 1 during normal office hours.

1. CALL TO ORDER / ROLL CALL
2. APPROVAL OF MINUTES – April 9, 2013
3. PUBLIC COMMENT ON EXECUTIVE SESSION
4. EXECUTIVE SESSION

A. Vote on whether to hold closed session.

- (1) CONFERENCE WITH LEGAL COUNSEL AND REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative:**

04-19-13P01:02 RCVD

GOVERNMENT
DOCUMENTS DEPT

APR 19 2013

SAN FRANCISCO
PUBLIC LIBRARY

- a. Property: Piers 30/32 and Seawall Lot 330
Person Negotiating: Port: Byron Rhett, Deputy Director, Planning & Development and Brad Benson, Special Projects Manager
OEWD: Jennifer Matz
*Negotiating Party: Golden State Warriors and GSW Arena LLC: Rick Welts, Ellen Warner, Jesse Blout, Michael Cohen

Under Negotiations: ____ Price ____ Terms of Payment ☒ Both
Pursuant to Resolution No. 12-61, the Port Commission awarded GSW Arena LLC an exclusive negotiation agreement for the potential lease, disposition and development of real property interests in Piers 30-32 and Seawall Lot 330. In this executive session, the Port's negotiators seek direction from the Port Commission regarding price and/or terms of payment, including rent structure, financing mechanisms and other factors affecting the form, manner and timing of payment of the consideration for the property interests. The executive session will enhance the capacity of the Port Commission during its public deliberations and actions to set the price and payment terms that are most likely to maximize the benefits to the Port, the City and the People of the State of California.

- b. Property: 295 Terry Francois adjacent to Pier 48
Person Negotiation: Port: Susan Reynolds, Real Estate Director
*Negotiating Party: East Street SF: John Cain

Under Negotiations: ____ Price ____ Terms of Payment ☒ Both
Pursuant to Resolution No. 12-63, on August 14, 2012, the Port Commission approved the issuance of a Request for Proposal ("RFP") for the development and the operation of a restaurant site located at 295 Terry Francois Blvd (the "Site"). Port staff is negotiating the terms of a restaurant lease with East Street SF for the site. In this Executive Session, the Port's negotiators will discuss the lease terms as specified in East Street SF's proposal and seek direction from the Port Commission regarding price and terms of payment, including term, rent structure, improvements, rent credits and other factors affecting the form, manner and timing of payment of the consideration for the lease in order to enhance the capacity of the Port Commission during its public deliberations and actions to set the price and payment terms that are most likely to maximize the benefits to the Port, the City and the People of the State of California.

(2) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING AND ANTICIPATED LITIGATION MATTERS

- a. Discuss existing litigation matter and approve proposed settlement pursuant to California Government Code Section 54956.9(a) and San Francisco Administrative Code Section 67.10(d): (Discussion and Action Item)

- Contract Claim of Vortex Marine Construction ("Vortex"), filed with Port of San Francisco February 21, 2012: Discussion and approval of settlement of Vortex's contract claim for compensation due to alleged differing site conditions for pile driving at Rows A-D, for the Pier 43 Bay Trail Link Project, Port Contract No. 2727. Proposed settlement of Vortex's claim upon terms which include Port's issuance of Contract Change Order No. 7, in the amount of \$360,594, to Vortex in exchange for Vortex's full release of the contract claim, and agreement to indemnify the Port and City from all claims of subcontractors, materials suppliers, and lien claimants related to the pile driving work in question. A copy of the proposed Change Order No. 7, containing the terms of the settlement, is available for inspection with the Port Commission Secretary.
- b. Discuss anticipated litigation matter pursuant to California Government Code Section 54956.9(a) and San Francisco Administrative Code Section 67.10(d): (Discussion Item)

Number of Potential Cases: 1 X As Defendant

Facts and circumstances: On or about February 2012, the Port received correspondence from Vortex Marine Construction, alleging deficiencies in the Port's design and construction documents for the Pier 43 Bay Trail Link Project, Port Contract No. 2727, concerning (a) alleged unidentified utilities; (b) constructability of the promenade deck; and (c) Contractor's office and field expenses, alleging an entitlement to substantial compensation, which the Port disputes. Despite efforts to negotiate a compromise of this matter, these circumstances present significant exposure of potential litigation.

- c. Discuss existing litigation matters pursuant to California Government Code Section 54956.9(a) and San Francisco Administrative Code Section 67.10(d): (Discussion Item)
- *Ferry Building Investors, LLC and Ferry Building Associates, LLC v. San Francisco Port Commission; Board of Supervisors of the City and County of San Francisco, et al.*; Superior Court of California, County of San Francisco (Case No. CPF 12-512355), filed July 20, 2012.
 - *Neighbors to Preserve the Waterfront; Friends of Golden Gateway; and San Franciscans for Reasonable Growth v. City and County of San Francisco; Planning Department of the City and County of San Francisco; Port Commission of the City and County of San Francisco; Board of Supervisors of the City and County of San Francisco, et al.*; Superior Court of California, County of San Francisco (Case No. CPF 12-512356), filed July 23, 2012.

5. RECONVENE IN OPEN SESSION

- A. Possible report on actions taken in closed session pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67-12.
- B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.

6. PLEDGE OF ALLEGIANCE

7. ANNOUNCEMENTS

- A. Announcement of Prohibition of Sound Producing Electronic Devices during the Meeting: Please be advised that the ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing of or use of a cell phone, pager, or other similar sound-producing electronic device.
- B. Announcement of Time Allotment for Public Comments: Please be advised that a member of the public has up to three minutes to make pertinent public comments on each agenda item unless the Port Commission adopts a shorter period on any item.

8. EXECUTIVE

- A. Executive Director's Report
 - San Francisco Heritage Soiree – May 11, 2013 from 6-11 p.m. at the San Francisco Maritime Museum
 - Gift of Scrimshaw, Swordfish Sword, from Port Pile Worker Bruce Lanham in honor of the Port's 150th Anniversary
 - 150th Anniversary Banners and Pylons – April to November 2013

9. NEW BUSINESS

- A. Request authorization to issue a Request for Qualifications (RFQ) soliciting three contracts for As-Needed Environmental and Related Professional Services each in an amount of \$1 million, totaling \$3 million. (Resolution No. 13-17)

10. FINANCE AND ADMINISTRATION

- A. Informational presentation on Projected Port Revenues from the James R. Herman Cruise Terminal Operations.

11. NEW BUSINESS

12. PUBLIC COMMENT

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. A member of the public has up to three minutes to make pertinent public comments before action is taken on any agenda item and during the new business/public comment period. It is strongly recommended that public comments be submitted in writing so they can be distributed to the Commissioners for their review. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

13. ADJOURNMENT

**FORWARD CALENDAR
(TARGETED COMMISSION MEETING, SUBJECT TO CHANGE)**

MAY 14, 2013

	FACILITY/POLICY	ITEM	TITLE
1	Piers 30-32	Informational	Presentation on updated architectural renderings for the Piers 30-32 Multi-Purpose Venue Project
2	Pier 27	Informational	Presentation introducing the cruise terminal, special event, and parking management team bidders for the James R. Herman Cruise Terminal
3	Pier 70	Informational	Informational presentation on Forest City's term sheet for the Pier 70 Waterfront Site
4	Islais Creek	Action	Authorization to apply for accept and expend a grant from the California Coastal Conservancy for \$616,534 to reconstruct the Copra Crane and for the removal of piles and decking in Islais Creek at the terminus of Indiana Street
5	Pier 27	Action	Request approval of (1) proposed 2013 Port Revenue Bonds for Phase II of the James R Herman Cruise Terminal project, (2) an appropriation ordinance to reallocate Series 12A and 12B Certificates of Participation and 2010 Port Revenue Bonds Series 9B to the James R Herman Cruise Terminal project and to other critical capital projects.

MAY 28, 2013

	FACILITY/POLICY	ITEM	TITLE
1	Portwide	Informational	Presentation regarding the Fiscal Year 2013-14 Monthly Rental Rate Schedule, Monthly Parking Stall Rates, Special Event and Filming Rates, and the Port of San Francisco's Standard Real Estate Leasing Policy and Procedures
2	Brannan Street Wharf	Informational	Update regarding the Brannan Street Wharf project, located along the Embarcadero Promenade between Pier 30-32 and Pier 38, at Brannan Street
3	Heron's Head Park at Cargo and Jennings Street	Action	Request authorization to negotiate and execute a Mutual Termination Agreement with Literacy for Environmental Justice for termination of Lease L-13816, which includes the "EcoCenter at Heron's Head Park" and surrounding 6,058 square feet of non-exclusive license area, subject to Board of Supervisors approval of the

			Mutual Termination Agreement
4	Pier 70	Action	Approval of Forest City's term sheet for the Pier 70 Waterfront Site
5	Pier 27	Action	Authorization to negotiate the James R. Herman Cruise Terminal management agreement with the highest ranked management team bidder
6	Jefferson Street	Action	Approval of Port Harbor Traffic Code amendment for the Jefferson Street Improvement Project

JUNE 11, 2013

	FACILITY/POLICY	ITEM	TITLE
1	Pier 38	Informational	Presentation introducing the bidders for the rehabilitation of Pier 38
2	Portwide	Action	Approval of the Fiscal Year 2013-14 Monthly Rental Rate Schedule, Monthly Parking Stall Rates, Special Event and Filming Rates, and the Port of San Francisco's Standard Real Estate Leasing Policy and Procedures
3	Pier 9	Action	Request approval to rescind the 2011 RFP and issue a new RFP for an excursion boat operator at Pier 9

JULY 9, 2013

	FACILITY/POLICY	ITEM	TITLE
1	Portwide	Action	Authorization to award the contract for As-Needed Environmental and related Professional Services for three contracts at \$1 million each, totaling \$3 million
2	Pier 27	Action	Approval of the James R. Herman Cruise Terminal management agreement with the highest ranked management team
3	Fisherman's Wharf	Action	Approval of a resolution replacing Port Commission Resolution 95-56 to approve street artists spaces for the Fisherman's Wharf area under the City's Street Artist Program and adopting conditions and limitations on such use
4	Fisherman's Wharf	Action	Approval of an amendment to the Street Performer Program for the Fisherman's Wharf area

DATE TO BE DETERMINED

	FACILITY/POLICY	ITEM	TITLE
1	South Beach	Action	Port Commission's consideration of agreements between the Port Commission and the Successor Agency to mutually terminate 13 ground leases in the South Beach project area and set business terms for the transfer of the South Beach Harbor Program
2	Portwide	Action	Approval to enter into agreements with the San Francisco Municipal Transportation Agency and the regional bike share program operator to use Port property for the Bay Area Regional Bike Share Pilot Program
3	SWL 351	Action	Approval of resolution recommending that the Board of Supervisors form a City and County Infrastructure District No. 2 and adopt the Infrastructure Financing Plan included in Appendix C which will capture tax increment from the Seawall Lot 351 project (commonly known as the 8 Washington Street project) for site open space improvements, the Cruise Terminal project, under-pier utilities and pier substructure repairs; and authorizing the Port's Executive Director to enter into a Memorandum of Understanding with the City and County of San Francisco acting through the Controller's Office to implement the District
4	Pier 70	Action	Approval of Federal Cost Sharing Agreement between the Port of San Francisco and the U.S. Army Corps of Engineers for study of the Central Basin Dredge Project

COMMUNICATIONS TO PORT COMMISSION**From April 5-18, 2013**

- From Dennis Bartels, Exploratorium Executive Director, invitation to the Exploratorium's grand opening on April 17, 2013
- From Cheryl Brinkman, Vice Chair of MTA Board, regarding Ferry Building Plaza proposal
- From Tom Radulovich, Executive Director of Livable City, concern about parking lot behind the Ferry Building
- From Leah Shahum, Executive Director of SF Bicycle Coalition, regarding concern for parking on Port open space

MAY 2013
CALENDAR OF UPCOMING PORT MEETINGS – OPEN TO THE PUBLIC

DATE	TIME	GROUP	LOCATION
May 14	2:00 PM Closed Session	Port Commission	Port Commission Hearing Room at the Ferry Building
	3:15 PM Open Session	Port Commission	Port Commission Hearing Room at the Ferry Building
May 28	2:00 PM Closed Session	Port Commission	Port Commission Hearing Room at the Ferry Building
	3:15 PM Open Session	Port Commission	Port Commission Hearing Room at the Ferry Building
June 11	2:00 PM Closed Session	Port Commission	Port Commission Hearing Room at the Ferry Building
	3:15 PM Open Session	Port Commission	Port Commission Hearing Room at the Ferry Building

NOTES:

The San Francisco Port Commission meets regularly on the second and fourth Tuesday of the month at 3:15 p.m., unless otherwise noticed. The Commission Agenda and staff reports are posted on the Port's Website @ www.sfport.com. The Port Commission meetings can be viewed online at http://sanfrancisco.granicus.com/ViewPublisher.php?view_id=92. The Port Commission meetings are also broadcasted on the 2nd & 4th Thursday of the month at 9 p.m. on Comcast Cable Channel 26 or Astound Cable Channel 78 (formerly RCN Cable). Contact Amy Quesada at 274-0406 or amy.quesada@sfport.com

The Fisherman's Wharf Waterfront Advisory Group (FWWAG) meets regularly on a bi-monthly basis, on the third Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47 at Fisherman's Wharf. Contact Rip Malloy @ 274-0267 or rip.malloy@sfport.com

The Maritime Commerce Advisory Committee (MCAC) meets every other month, on the third Thursday of the month, from 11:30 a.m. to 1:00 p.m. @ Pier 1. Contact Jim Maloney @ 274-0519 or jim.maloney@sfport.com

The Mission Bay Citizens Advisory Committee meets on the second Thursday of the month at 5:00 p.m. in the Creek Room at Mission Creek Senior Building located at 225 Berry Street in San Francisco (along the Promenade just beyond the library.) Contact Catherine Reilly at the former Redevelopment Agency @ 749-2516 or catherine.reilly@sfgov.org

The Northeast Waterfront Advisory Group (NEWAG) meets regularly on a bi-monthly basis on the first Wednesday of the month from 5:00 p.m. to 7:00 p.m. in the Bayside Conference Room @ Pier 1. Contact Jonathan Stern @ 274-0545 or jonathan.stern@sfport.com

The Central Waterfront Advisory Group (CWAG) meets monthly on an as-needed basis, generally on the third Wednesday of the month from 5 to 7 p.m. in the Bayside Conference Room at Pier 1. Contact Mark Paez @ 705-8674 or mark.paez@sfport.com

The Southern Waterfront Advisory Committee (SWAC) meets every last Wednesday of the month from 6:15 to 8:15 p.m. Location to be determined. Contact David Beaupre @ 274-0539 or david.beaupre@sfport.com

The Waterfront Design Advisory Committee (WDAC) meets jointly with the Design Review Board of the Bay Conservation and Development Commission on the first Monday of the month at BCDC, 50 California Street, Rm. 2600, at 6:30 p.m. The Committee meets as needed on the fourth Monday of the month at 6:30 p.m. in the Bayside Conf. Rm. @ Pier 1. Contact Dan Hodapp @ 274-0625 or dan.hodapp@sfport.com

ACCESSIBLE MEETING INFORMATION POLICY

FERRY BUILDING:

The Port Commission Hearing Room is located on the second floor of the Ferry Building. The main public entrance is from the west (Embarcadero) side and is served by a bank of elevators adjacent to the historic staircase. Accessible public restrooms are on the first floor at the northeast end of the building as well as on the second floor across the lobby from the Port Commission Hearing Room. The main path of travel to the Port Commission Hearing Room is equipped with remote infrared signage (Talking Signs). The Port Commission Hearing Room is wheelchair accessible. Accessible seating for persons with disabilities (including those using wheelchairs) is available. The closest accessible BART and MUNI Metro station is Embarcadero located at Market & Spear Streets. Accessible MUNI lines serving the Ferry Building area are the F-Line, 9, 31, 32 and 71. For more information about MUNI accessible services, call (415) 923-6142. The nearest accessible parking is provided in the following off-street pay lots: 3 spaces in the surface lot on the west side of the Embarcadero at Washington Street.

Hourly and valet parking is available in the Pier 3 lot. This lot is accessed through the Pier 3 bulkhead building entrance on the east side of the Embarcadero. This lot is located on the pier deck; adjacent to the ferry boat Santa Rosa. Additional covered accessible off-street pay parking is available in the Golden Gateway Garage, which is bounded by Washington, Clay, Drumm and Battery Streets. Entrance is on Clay St. between Battery and Front Streets. There is no high-top van parking. Metered street parking is available on the Embarcadero, Washington, Folsom & Drumm Streets.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

A sign language interpreter and alternative format copies of meeting agendas and other materials can be provided upon request made at least 72 hours in advance of any scheduled meeting. Contact Wendy Proctor, Port's ADA Coordinator, at 274-0592, the Port's TTY number is (415) 274-0587.

Know Your Rights Under the Sunshine Ordinance:

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Sections 67.1 et seq. of the San Francisco Administrative Code) or to report a violation of the ordinance, contact Chris Rustom by mail: Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102-4689; by phone at (415) 554-7724; by fax at (415) 554-7854 or by email at sof@sfgov.org. Citizens interested in obtaining a free copy of the Sunshine Ordinance can request a copy from Mr. Rustom or by printing Sections 67.1 et seq. of the San Francisco Administrative Code on the Internet, at <http://www.sfgov.org/sunshine>.

NOTICES

Prohibition of Ringing of Sound Producing Devices:

The ringing of and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic device.

Lobbyist Registration and Reporting Requirements:

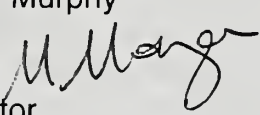
Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (SF Campaign & Government Conduct Code Sections §2.100 – 2.160) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 30 Van Ness, Suite 3900, San Francisco, CA 94102, phone (415) 581-2300 or fax (415) 581-2317; web site: www.sfgov.org/ethics.



MEMORANDUM

April 18, 2013

TO: MEMBERS, PORT COMMISSION
Hon. Doreen Woo Ho, President
Hon. Kimberly Brandon, Vice President
Hon. Willie Adams
Hon. Leslie Katz
Hon. Mel Murphy

FROM: Monique Moyer 
Executive Director

SUBJECT: Request Authorization to Issue a Request for Qualifications (RFQ)
Soliciting Three Contracts for As-Needed Environmental and Related
Professional Services, each in the amount of \$1 million, totaling \$3 million

DIRECTOR'S RECOMMENDATION: Approve Attached Resolution

EXECUTIVE SUMMARY

Port staff requests Port Commission's authorization to advertise a Request for Qualifications (RFQ) soliciting as-needed environmental and related professional services. These services are required to address the Port's fluctuating needs when existing Port and City staff are unavailable to perform the required environmental work. In addition, there are times when highly specialized environmental expertise is required that otherwise does not exist with current personnel resources due to the limited need for such expertise.

The very nature of the Port's aging infrastructure and deferred maintenance, combined with evolving and increasingly stringent environmental regulations, creates an environment of many unanticipated urgent projects that require immediate attention. The timing for meeting these urgent project demands makes it necessary to contract with contractors, on an as-needed basis, to provide the requisite environmental and related professional services on short notice. The as-needed and sometimes urgent nature of this work makes it impractical to rely on formal bids for every contract. Thus, the as-needed contracts provide the most timely and cost-effective procurement method to meet these service needs. Staff is seeking Port Commission authorization to issue

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an RFQ soliciting three (3) contracts for as-needed environmental and related professional services each in the amount of \$1 million, totaling \$3 million. The solicitation process is anticipated to take four (4) months with contract award anticipated in August 2013 and contract commencement expected in September 2013.

PURPOSE OF THE CONTRACTS

The purpose of these contracts is to allow the Port to retain a pool of qualified contractors to perform as-needed environmental and related professional services.

BACKGROUND

Historically, the Port has used as-needed environmental and related professional services contracts to address the Port's fluctuating needs when existing Port and City staff are unavailable to perform the required environmental work. These as-needed contracts are also used when highly specialized environmental expertise is required that otherwise does not exist with current personnel resources due to the limited need for such expertise or when rapid response is necessary.

Existing Port As-Needed Environmental and Related Professional Services Contracts

The Port currently has three (3) as-needed environmental and related professional services contracts in the amount of \$1,000,000 each that were awarded in July 2010 to: 1) Baseline Environmental Consulting; 2) Tetra Tech/AEW Joint Venture; and 3) Weiss Associates. These contracts will expire on July 31, 2013.

Civil Service Approval

In order to solicit contractors to contract out these services, Port staff must secure the Civil Service Commission's approval prior to entering into as-needed environmental contracts. As such, Port staff will request authorization from the Civil Service Commission to create an as-needed environmental services contractor pool at the Civil Service Commission's June 3, 2013 hearing. In preparation for this hearing, Port staff will notify the International Federation of Professional and Technical Engineers (IFPTE) Local 21, the Department of Public Works (DPW), and other City agencies with potential capacity to perform such services. As is the current practice, should the Civil Service Commission approve the establishment of the as-needed environmental services contractor pool, the Port will notify IFPTE Local 21 and DPW five (5) business days before entering into Contract Service Orders (CSOs) in case City staff can instead perform the work.

As-Needed Contract Terms

Since the exact nature and timing of anticipated work performed under as-needed contracts is not known, Port staff will prepare specific project work scopes as the need for these services arises. Each specific project will be executed via individual CSOs operating within the framework of each Master Agreement.

For the existing as-needed environmental and related professional services contracts, the Port Commission authorized staff to execute CSOs for specific work up to \$200,000 without additional Port Commission approval. Under the new proposed as-needed contracts, Port staff recommends that the Commission approve the same protocol as the prior as-needed environmental services contracts with the Executive Director having delegated authority to issue CSOs up to \$200,000. Administrative Code Section 6.64 requires that all as-needed contracts shall provide a not-to-exceed price and an expiration term of not more than five (5) years, including all modifications. However, Port staff intends to recommend award of these as-needed contracts for terms of three (3) years, with an option for the Port to extend each contract term for one additional year. These contract terms are consistent with the Port's previously awarded as-needed professional services contracts including the as-needed engineering and related professional services contracts awarded in 2012. The Port may issue or modify any CSO to exceed the foregoing limits upon the department head's written determination establishing the urgency of the work and the justification for proceeding under Section 6.64 rather than by a formal competitive bid process.

It is possible that contractors awarded contracts from this solicitation process may not be eligible to compete for other related formally bid projects, based upon a conflict of interest (i.e., if the contractor(s) performs work under an awarded contract that is used in the development of another formally bid project). For example, a contractor may help the Port prepare a detailed scope of work for a project; thus, this contractor may not be eligible to bid on the Request for Proposal for this work.

POTENTIAL SCOPE OF WORK

Due to the nature of as-needed services, it is not feasible to define the specific scope of work in advance. Work under each Master Agreement will be project-driven, and no particular tasks have yet been specified. However, based on the Port's experience with prior as-needed environmental services contracts, staff can indicate the types of professional disciplines and work that may be required. In general, contractors may be required to perform environmental studies and investigations; prepare reports and plans; develop cost estimates; negotiate with regulatory agencies; and perform field inspections for various types of regulatory and environmental issues. It is anticipated that the prime contractor for each team would be a civil or environmental engineering firm.

The type of work and disciplines will likely include the following:

MAJOR CATEGORIES	MINOR CATEGORIES
Environmental Engineering	Environmental Information Management Systems and Database Development
Site Investigation	Biological Surveys and Monitoring
Site Remediation Planning and Design	Risk Assessment and Risk Management
Construction and Remediation Site Environmental Inspection (Mitigation Monitoring and Reporting Program Compliance)	Hazardous Materials and Solid Waste Management
Environmental Planning and Permitting	
Storm Water Management	
Industrial Hygiene Services	
Climate Change Planning	

The above categories are provided as a guide only. Award of a contract does not represent a guaranteed amount of work or revenue for any of the successful contractors. Rather, these contracts will enable Port staff to rapidly obtain professional environmental services on a project-specific basis, as necessary.

SELECTION PROCESS

The proposed contracts would be "professional services contracts" as defined in the City's Administrative Code, Section 6. The Administrative Code specifies the format of the solicitation and award process as well as City regulations with respect to as-needed contracts. In the case of these contracts, the proposers will be judged on an evaluation of their qualifications, based on a predetermined set of criteria. Per the Administrative Code, Port Commissioners are granted the authority to award or deny such contracts.

Port staff proposes to procure the above services through a formal, fair, and competitive process involving the issuance of a Request for Qualifications (RFQ). The evaluation process will consist of three phases: 1) Initial Screening, 2) Evaluation of Written Proposal, and 3) Oral Interview. Upon receipt of the RFQ responses, the Port's Contract Manager and the City Contract Monitoring Division (CMD) (formerly the San Francisco Human Rights Commission) Contract Compliance Officer will determine whether each proposal meets the minimum qualifications specified in the RFQ (Initial Screening). The RFQ responses will then be forwarded to a selection panel to evaluate and score the written submittals and conduct and score oral interviews pursuant to the RFQ criteria. The selection panel will consist of qualified reviewers from the Port and from other public agencies.

Selection Criteria

The general criteria to be used for evaluating written submittal and oral interview responses to the RFQ are as follows (see Exhibit A for the complete list and score allocation):

1. Understanding of environmental issues pertinent to the Port of San Francisco;
2. Understanding of as-needed contracting administration requirements such as firm fixed price quotes for contract service orders (as opposed to time and materials pricing);
3. Approach to assuring high quality budgeting and scheduling for Port projects;
4. Quality control and assurances for work to be performed;
5. Commitment and availability;
6. Project management and contract administration approach to facilitate smooth contracts;
7. Experience of firm and staff in performing similar technical work;
8. Experience in producing cost effective and timely project results;
9. Organizational and team capacity and flexibility, including depth of subconsultant resources; and
10. Communication, clarity, and client relationship philosophy.

Evaluation Process

In a process that is consistent with the City's procurement policies and best practices, respondents' written submittals will be evaluated by the selection panel for a total scoring of 100 points based on the written submittal evaluation and scoring criteria provided in Exhibit A. The Port intends to "short-list" and select no more than six (6) of the highest scoring respondents for reference checks and for an interview with the selection panel. In order to be eligible for interviews respondents must score at least 70 points of a possible total of 100 points on the written proposal.

The selection panel will interview, evaluate, and score selected firms using a standardized set of questions totaling 100 points. These questions will be based on the interview evaluation and scoring criteria provided in Exhibit A. The Port intends to select the three (3) respondents with the highest oral interview scores to enter into contract negotiations. The written proposal and oral interview scoring and selection process is summarized as follows:

Written Proposal Phase Maximum Score	Oral Interview Phase Maximum Score
Qualifications: 100 points	Interview: 100 points
Six (6) highest scoring firms will advance. Must get a minimum of 70 points to qualify for an interview.	The top three (3) ranked firms from the Oral Interview will be recommended for contract award.

Local Business Enterprise (LBE) incentive credits (ratings bonuses), if applicable, shall be added to raw scores during each phase of the selection process before ranking by

the Contract Compliance Officer pursuant to Chapter 14B of the San Francisco Administrative Code (the City's "Local Business Enterprise and Non-Discrimination in Contracting Ordinance").

Pursuant to the Administrative Code, once Port staff has received insurance documents and negotiated fees and contract terms with the three highest-ranked firms, Port staff will return to the Port Commission with recommendations for contract award.

Local Business Enterprise (LBE) Subconsulting Goal

The Port's Contract Monitoring Division Contract Compliance Officer has established a 22% LBE sub-consulting goal for each of these proposed contracts. To be eligible for contract award, each firm responding to the RFQ must commit to meeting the 22% LBE sub-consulting goal. When advertising the RFQ, the Port will incorporate additional outreach efforts to local minority and women-owned businesses.

SCHEDULE (Subject to Change)

In accordance with the following timeline, Port staff expects to return to the Port Commission in August 2013 to request approval to award the contracts.

<u>Activity</u>	<u>Target Date</u>
Port Commission Authorization to Advertise	April 2013
Civil Service Commission Authorization to Contract Out Services	June 2013
Commence RFQ Advertisement	June 2013
Pre-Submittal Meeting	June 2013
Submission Due Date	July 2013
Interviews	July 2013
Port Commission Request to Award Contracts	August 2013
New Contracts Commence	September 2013

The RFQ will be advertised using the following resources:

- City and County of San Francisco Office of Contract Administration website
- Various local small business newspapers
- Port of San Francisco's website

FUNDING

Funding for these services will be encumbered on a project basis and drawn from either the Port operating budget or capital budget. Some services may be funded through General Obligation or Port Revenue Bonds. Funding for each Contract Service Order will be identified prior to requesting CSO proposals from the as-needed contracting pool. CSOs will not be issued without available funding.

SUMMARY

The Port's existing as-needed contracts for environmental and related professional services are scheduled to expire on July 31, 2013, and further as-needed environmental

services will be needed thereafter. Following Civil Service Commission consideration and approval which is scheduled for June 3, 2013, Port staff will seek qualified contractors using a competitive selection process by means of a Request for Qualifications should the Port Commission approve this request.

RECOMMENDATION

Staff recommends that the Port Commission approve the attached resolution authorizing staff to advertise the Request for Qualifications for as-needed environmental and related professional services.

Prepared by:
Andrés Acevedo, Contract Manager
Lauren Eisele, Project Manager
Shannon Alford, Project Manager

Susan Reynolds
Deputy Director for Real Estate

Exhibit

A. Evaluation & Scoring Criteria

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 13-17

- WHEREAS, The Port of San Francisco's environmental staff has, in the past, been requested to provide essential services that exceed staff resources available to the Port and other City departments; and
- WHEREAS, the Port anticipates a continued need for environmental and related professional services based upon its aging infrastructure, evolving environmental regulations, and the requirements of the Port's Ten Year Capital Plan; and
- WHEREAS, Port staff has managed and met environmental resource demands through three existing "as-needed" environmental and related professional services contracts to augment staffing of important and urgent projects; and
- WHEREAS, the Port's existing As-Needed Environmental and Related Professional Services Contracts have provided a timely and cost-effective vehicle for the provision of professional services, but these contract terms are scheduled to expire July 31, 2013, and further services are needed; and
- WHEREAS, Port staff intend to obtain approval from the Civil Service Commission on June 3, 2013, authorizing the Port to contract out environmental and related professional services on an as-needed basis; and
- WHEREAS, Port staff has drafted a Request for Qualifications (RFQ) to solicit as-needed environmental and related professional services; and
- WHEREAS, the RFQ solicitation will incorporate a 22% sub-consulting goal for Local Business Enterprises as recommended by the Contract Monitoring Division; and
- WHEREAS, funding for these services will be encumbered on a project basis and drawn from either the Port operating budget or capital budget; now, therefore be it

RESOLVED, that the San Francisco Port Commission hereby authorizes Port staff to advertise a Request for Qualifications for three environmental and related professional services contracts for as-needed services, each in an amount not to exceed \$1,000,000, with a term of three years, and option to extend the term for one additional year in the Port's sole discretion, subject to approval of the Civil Service Commission.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of April 23, 2013.

Secretary

Exhibit A, Evaluation and Scoring Criteria

Request Authorization to Issue a Request for Qualifications (RFQ) soliciting three contracts for As-Needed Environmental and Related Professional Services

Written Submittal and Oral Interview Evaluation and Scoring Criteria

Evaluation Criteria	Points	
	Written Submittal	Oral Interview
As-Needed/Technical Approach	20	20
<ul style="list-style-type: none">• Understanding of the nature and implementation of As-Needed Professional Services Contracts required of the Port;• Approach to addressing and completing the tasks to be assigned on an as-needed basis;• Project Management capability and understanding of as-needed Contract Administration; and• Demonstrated ability to work with the public agency owner as a team; including other consultants hired to represent the owner.		
Prime Consultant and Team Experience	20	20
<ul style="list-style-type: none">• Expertise of the Consultant/Team in the fields necessary to complete the tasks listed in this RFQ;• Experience and results with similar professional services contracts involving the nature of work anticipated under this RFQ; and• Demonstrated capability to complete deliverables within the agreed budget and timeline.		
Assigned Project Staff	20	20
<ul style="list-style-type: none">• Relevant experience of staff assigned to the type of work anticipated in the RFQ;• Professional qualifications;• Availability of assigned staff; and• Demonstrated capability in producing cost-effective project results.		
Organization	20	20
<ul style="list-style-type: none">• Current workload and resources;• Capacity and flexibility to complete high quality work in a timely manner;• Ability to perform on short notice and manage multiple disciplines; and• Presentation, clarity, organization of submittal, and responsiveness to project approach submittal requirements.		
<ul style="list-style-type: none">• Depth of available subconsultant resources in each specified discipline and commitment to the contract.	10	10
<ul style="list-style-type: none">• Demonstrated commitment to cost effective and accountable contracting processes.	10	5
References		5
TOTAL POINTS	100	100



MEMORANDUM

April 19, 2013

TO: MEMBERS, PORT COMMISSION
Hon. Doreen Woo Ho, President
Hon. Kimberly Brandon, Vice President
Hon. Willie Adams
Hon. Leslie Katz
Hon. Mel Murphy

FROM: Monique Moyer *Monique Moyer*
Executive Director

SUBJECT: Informational Presentation on Projected Port Revenues from the James R. Herman Cruise Terminal Operations

DIRECTOR'S RECOMMENDATION: Informational Item - No Action Required

Executive Summary

Construction of the first phase of the James R. Herman Cruise Terminal is complete and the final build out, including construction of the Northeast Wharf Plaza and installation of a mechanized gangway and other maritime improvements is estimated to be completed by late summer of 2014. In addition to the facility's chief purpose as a primary cruise ship terminal, on non-cruise days, the facility can generate additional revenue to the Port with special events and visitor parking.

The key to maximizing revenue from this facility to the Port is high utilization. In addition to the estimated Harbor Fund cash investment in the facility of \$26.8 million, the Port will incur ongoing fixed costs of debt service of \$3.5 million per year (to repay the Port's approximately \$53.7 million debt investment in the new facility) and dredging costs of \$1.2¹ million per year, regardless of cruise or special event activity. As discussed in

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¹ This estimated cost of dredging assumes the disposal of the dredge material can continue to occur offshore. The U.S. Army Corps of Engineers Dredge Material Management Office is increasingly requesting more material be deposited in wetlands, at a much higher price than offshore disposal. Should the dredge material be required to be deposited in wetlands, the \$1.2 million estimate would increase to \$2.5 million.

more detail below, passenger volume (for dockage, wharfage, and passenger facility charges), and special event occupancy (for facility rental fees and associated parking revenue) will drive the Port's earnings. Days without special events or cruise calls will generate parking revenues commensurate with market demand in the northern waterfront. The facility operator's ability to efficiently (1) manage the turnaround time for cruise calls within the constraints of security requirements, and (2) coordinate advanced scheduling for both cruise and special events is critical to maximizing revenues from the facility.

Assuming that the current annual number of cruise calls of 66 and passenger traffic of 210,000 remain constant, Port staff estimates the James R. Herman Cruise Terminal will generate \$4.3 million in Port revenue including (a) \$3.1 million in wharfage, dockage, and passenger facility charges paid by the cruise lines directly to the Port, (b) \$2.2 million in special event, parking and rent revenue paid by the terminal operator less (c) \$1 million in new terminal operator obligations to maintain the building exterior, public access and park areas around the terminal. After factoring in ongoing costs of debt service, dredging and security, net revenue to the Port is estimated conservatively at a loss of \$611,000 per year. This revenue represents Net Revenues from Pier 27 to the Port in the low revenue scenario, presented in the table below. The high revenue scenario below, showing an annual surplus of \$ 528,000, assumes a higher passenger facility charge, increased cruise calls, a higher terminal operating fee and lower maintenance expenses.

Projected Port Revenues		
Assumed Cruise Calls Portwide	66	80
Assumed Passenger Facility Charge	\$ 5.00	\$ 6.00
Assumed Special Event Occupancy on Non-Cruise Days	52%	52%
Revenues	Low	High
Terminal Operating Fee	\$ 180,000	\$ 300,000
Parking Rent	654,509	548,064
Special Event Rent	1,323,673	1,108,400
Gross Rent Revenues	2,158,182	1,956,464
Less New Maintenance Obligations (Parks, Public Access, and Building Exterior)	(1,000,000)	(500,000)
Net Rent Revenues from Terminal Operator	1,158,182	1,456,464
Passenger Facility Charge (charged per passenger)	836,000	1,216,000
Wharfage (charged per passenger)	2,122,959	2,573,284
Dockage (charged per ship per day)	167,118	202,568
Revenues from Cruise Lines	3,126,078	3,991,852
Total Annual Port Revenue	4,284,260	5,448,316
Less Debt Service	(3,540,000)	(3,540,000)
Less Dredging	(1,235,000)	(1,235,000)
Less Security	(120,000)	(145,455)
Net Revenue from Pier 27	\$ (610,740)	\$ 527,861

Notably, cruise operations also create significant economic activity within the City and the Bay Area. In 2006, the Port contracted Bay Area Economics to estimate the impact of cruise visitors to the economy of the City and the Bay Area. Using those estimates, adjusted for inflation and current cruise call and passenger volumes, staff estimates

cruise activity in FY 2012-13 will generate total economic activity² of approximately \$62 million for the entire Bay Area, or approximately \$1 million per cruise call. Of the \$62 million in total economic activity, \$45 million occurs within San Francisco and is estimated to generate approximately \$175,000 per year in tax revenue to the City. Although these economic and tax benefits are significant to the local and regional economy, because they do not have a financial impact to the Port, they are not analyzed in this report.

Assumed Financial Structure of Operating Agreement

In order to estimate Port revenues, Port staff assumes the following terms for the different functions of the James R. Herman Cruise Terminal. These assumptions are for the purpose of estimating revenues and do not restrict the selection process that is currently underway for a management operator.³

Cruise Operations: For the purposes of this analysis, staff assumes the operator pays an annual fee of \$180,000 in the low scenario and \$300,000 in the high scenario for the right to operate the cruise terminal and, as an obligation of their agreement, maintains the interior of the building. Although the cruise lines purchase labor from the cruise terminal operator (the stevedore company), and the operator makes a profit above the cost of wages and benefits on that labor, the Port is assumed not to directly participate in any of that revenue, but instead to earn a terminal operating fee (similar to the current management agreement). Port staff is researching terminal operating structures and payments at other facilities in preparation for contract negotiations with the preferred proposer. The terminal operating fee of the new agreement may be based on profit sharing between the operator and the Port and may vary due to changes in passenger volume and operator earnings, similar to a percentage rent structure. Additionally, the wharfage, dockage, and passenger facility fees that cruise calls will generate are assumed to be paid directly to the Port, without any involvement by the terminal operator.

Cruise Facility Maintenance: Staff assumes the new cruise terminal operator will be responsible for maintaining public access areas, the Northeast Wharf Plaza, and the exterior of the terminal itself. These obligations are broader than the obligations of the current terminal operator which require the operator to maintain the interior of the facility only, and are added as additional maintenance costs which will directly reduce rent.

The low revenue scenario cost estimate of \$1 million is based on depreciation of the building over the useful life of the building with a 25 percent reduction to reflect that the building is new and will be less expensive to maintain in the first 10 years. The high

² Total economic activity includes (a) the direct spending by passengers, crew members, and the cruise lines, (b) the indirect spending by the vendors supplying the passengers, crew members, or cruise lines, and (c) induced spending by the employees of those vendors.

³ The Port issued a Request for Proposals (RFP) for passenger operations, parking and conference and special events management for the James R. Herman Cruise Terminal. An evaluation panel will evaluate the proposals and interview respondents. The RFP process is not part of this informational presentation and will not be discussed at the April 23, 2013 Commission meeting. The respondents have been invited to present their qualifications and plans to the Commission on May 11, 2013.

revenue scenario cost estimate of \$500,000 is based on actual costs to maintain the warranties and systems in the James R. Herman Cruise Terminal during the America's Cup occupancy and Port costs for maintaining similar parks. Port staff is researching the systems and grounds of the facility to determine more accurate cost estimates in preparation for contract negotiations with the preferred proposer.

Parking Operations: Based on terms of current parking agreements, Port staff assumes that 66% of the post-parking tax revenue generated from parking operations would be paid to the Port. These terms are also assumed to apply to parking revenue generated by special event attendees.

Special Events: In 2009, the Port commissioned a study by AECOM, a global consultant group with a primary office in San Francisco, to estimate the net revenue that could be derived from using Pier 27 for special events and parking, in addition to its use as a cruise terminal. Specifically, the AECOM study, issued in 2010, estimated the revenues and costs of the Port's direct management of special events at the James R. Herman Cruise Terminal. A copy of the 2010 AECOM study is attached hereto. To estimate special event rental rates for use in the analysis, Port staff reviewed and updated rental rates of local comparable venue rates outlined in the AECOM study, as well as the rental rates for the Ferry Building and Exploratorium. Additionally, Port staff studied the Treasure Island Development Authority's special event agreement for rental terms of selected facilities.⁴ From these sources, staff assumes 72% of facility rental fees would be paid to the Port.

Estimated Port Revenues

Based on the assumptions outlined in this report, Port staff estimate that the James R. Herman Cruise Terminal will conservatively cost the Port \$611,000 per year or generate a surplus of \$528,000. This range varies based on: (1) whether the amount of a supplemental passenger facility charge is \$5 or \$6 above the standard wharfage fee, (2) total number of cruise calls, (3) the terminal operating fee, and (4) the cost of maintaining the facility exterior, park and public access areas. Both low and high scenarios assume 20% of Port-wide cruise calls are diverted to secondary or tertiary terminals at Piers 35 or 30-32 (consistent with actual diversion rates in 2012), average cruise call turnaround time remains at 3 days, and special events occupy the cruise terminal 52% of the days when there is no cruise activity at the facility⁵. Any restrictions on visitor parking in the GTA on non-cruise days would reduce revenue.

⁴ Staff investigated multiple City owned facilities which are used for special event rental. The few that are operated by a private management firm are (a) Moscone Center, (b) Bill Graham Auditorium, and (c) certain Treasure Island facilities. Moscone Center and Bill Graham Auditorium were not reasonably comparable because the operator was required to make large capital investments as part of its agreement. Only the terms for managing the Treasure Island facilities are reasonably comparable to the James R. Herman Cruise Terminal, where no major capital investment is needed (although the special events operator is responsible for interior maintenance). For the Treasure Island facilities, 100% of facility fees plus 3% of food sales are paid to Treasure Island Development Authority; with the facility operator making profit on food, beverage, and ancillary service sales. For the purposes of the cruise terminal, staff conservatively assumed 100% of facility fees would be payable to the Port, with no participation in catering or ancillary service sales.

⁵ Fifty-two percent occupancy is consistent with AECOM's 2010 study to estimate special event and parking revenues from a cruise terminal at Pier 27.

Maximizing Port Revenues

For operational and security reasons, special events and cruises cannot be held simultaneously. Both types of events often require bookings 1 year in advance. Therefore, maximization of facility revenues requires balancing the relative costs and benefits of cruise operations, special events and parking. The table below shows average daily marginal net revenue for cruise calls, and special events and parking.

Operation Type	Average Daily Port Marginal Net Revenue
Cruise Call at a 3 day turnaround	\$18,978
Average Special Event (includes associated parking)	15,427
<i>Premium Upstairs and Lobby (1.25 days)</i>	<i>15,787</i>
<i>Downstairs Plus Lobby (4.5 days)</i>	<i>10,292</i>
<i>Whole Facility (3 days)</i>	<i>20,201</i>

Operational efficiency improvements can also increase net revenue to the Port. Currently cruise calls average 3 days of terminal occupancy (or turnaround time). These three days include the time the cruise is actually berthed at the facility (typically less than 24 hours), plus time for security and customs personnel to verify the facility is secure before and after each call. To the extent the cruise terminal operator can reduce the average turnaround time consistent with security requirements, the days available for special event leasing would increase. Additionally, to the extent the cruise terminal operator can employ aggressive marketing and pricing strategies to increase the utilization of non-cruise days for special events, special event leasing revenues would further increase. As shown in the table below, these operating efficiency improvements can significantly improve net revenue to the Port.

Net Revenue from Pier 27 with Increased Special Event Occupancy and/or Decreased Cruise Turnaround Time				
Scenario	No Change From Prior Assumptions	Improve Average Cruise Turnaround from 3.0 Days to 2.5 Days	Improve Special Event Occupancy from 52% to 65%	Both Improvements
Low Scenario	(\$610,740)	(\$357,962)	(\$274,372)	\$21,389
High Scenario	\$527,861	\$834,259	\$809,525	\$1,168,023

Based on the data from the two tables above, cruise calls typically generate more Port marginal net revenue than special events⁶. Therefore, from a purely financial perspective, the priority of the Port should be to:

1. Maximize the number of cruise calls to the Port, then
2. Maximize the number of days available at Pier 27 for special events by:
 - a. Diverting calls to the secondary terminal at Pier 35 during off-Cruise season, consistent with shore side power requirements.⁷
 - b. Minimizing turnaround time for cruise calls at Pier 27.
 - c. Increasing special event occupancy rate during non-cruise call days through aggressive marketing and pricing strategies.

⁶ Some large, multi-day special events would likely bring in more direct Port revenue than a cruise call. However, cruise calls bring an average of 3,166 passengers and their associated spending to the City, where a maximum capacity special event is estimated to include only 1,700 people. Therefore the overall financial benefits of cruise calls, including economic activity at the waterfront and sales/hotel taxes for the City, are likely to exceed those of even the largest special events.

⁷ State shore side power requirements are that compatible vessels use shore side power facilities when they are available. Some vessels are not yet compatibles with the technology and can use secondary facilities.

Conclusion

Using a series of assumptions about the financial structure of a future operator agreement, Port staff estimates that the James R. Herman Cruise Terminal will generate between \$4.3 million and \$5.4 million annually in revenue to the Port. Net revenues are estimated to be between a loss of \$611,000 and a surplus of \$528,000 per year. Due to the significant fixed operating costs of dredging and debt service, to the extent the terminal operator can maximize cruise calls, and then maximize the number of non-cruise days which hold special events, net operating revenues would increase.

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Attachments

- A. Economic Analysis of Ancillary Revenues at the Proposed Pier 27 Cruise Ship Terminal, prepared by AECOM in 2010



**Internal Team Working Paper:
Economic Analysis of
Ancillary Revenues at the Proposed
Pier 27 Cruise Ship Terminal**

**Prepared for
KMD Architects and
Pfau Long Architecture,
a Joint Venture**

**Submitted by
The Economics Practice at AECOM
(formerly Economics Research Associates)
June 29, 2010
ERA Project No. 18494**

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General & Limiting Conditions

Every reasonable effort has been made to ensure that the data contained in this report are accurate as of the date of this study; however, factors exist that are outside the control of AECOM and that may affect the estimates and/or projections noted herein. This study is based on estimates, assumptions and other information developed by AECOM from its independent research effort, general knowledge of the industry, and information provided by and consultations with the client and the client's representatives. No responsibility is assumed for inaccuracies in reporting by the client, the client's agent and representatives, or any other data source used in preparing or presenting this study.

This report is based on information that was current as of June 2010, and AECOM has not undertaken any update of its research effort since such date.

Because future events and circumstances, many of which are not known as of the date of this study, may affect the estimates contained therein, no warranty or representation is made by AECOM that any of the projected values or results contained in this study will actually be achieved.

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This study is qualified in its entirety by, and should be considered in light of, these limitations, conditions and considerations.

I. Introduction

In late 2009, a joint venture consulting team headed by KMD Architects and Pfau Long Architecture was awarded the contract to design a cruise ship terminal for Pier 27 for the City of San Francisco Department of Public Works and the Port of San Francisco. The Economics Practice at AECOM, formerly known as the Independent consulting firm Economics Research Associates, is serving as a subconsultant member of the team. AECOM's role is to estimate the net revenue, ancillary to cruise ship/maritime operations, that could accrue to the Port on an ongoing basis due to the project.

The geographic scope of the project includes a triangular shaped pier extending into San Francisco Bay from the Embarcadero along the City's Northern Waterfront. The existing Pier 27 shed building is included as well as its apron and the "valley" area between the Pier 27 and Pier 29 sheds. The Pier 29 shed is not part of the project, although consideration is given to the possible future evolution of uses within that structure. Also included in the project scope is a new public plaza/park to be created along the Embarcadero by the demolition of the southernmost portion of the Pier 27 shed building. The Embarcadero area where the public space will be created also includes the Beltline Building, a small, historic, two-storey office structure which will remain.

There are two major alternatives for the creation of a new cruise ship terminal. Scheme A would create a terminal building by reusing a portion of the existing Pier 27 shed building. Scheme B envisions demolition of the majority, or all, of the existing building and construction of an entirely new structure for the cruise industry. For both schemes other members of the consulting team are estimating revenues and costs associated with the cruise industry. As many as 80 cruise ship calls per year are envisioned for the new Pier 27 terminal.

The purpose of this working paper is to present AECOM's analysis of revenues and costs associated with the project site which are not driven by the cruise ship industry. Three major sources have been identified:

1. **Special Event Use:** On days when the site is not needed by the cruise ship industry, various spaces within the terminal building and outdoor spaces will be available for use by special events.
2. **Parking:** The Port currently derives parking revenue from the Pier 27 site, and could potentially receive even more in the future depending on how the site is used.
3. **Commercial Leasing:** As part of the design of a public open space along the Embarcadero and with views of the Bay, there is an opportunity to create new spaces that could be suitable for rental to commercial tenants for restaurant, retail and office uses.

Each of these is discussed in more detail below, and projections of the net proceeds to the Port are estimated.

II. Executive Summary

Detailed analysis of the existing conditions, the assumptions for future revenue generation, and estimation of future uses on the site are included in the body of the report. The top line summary of potential for revenue generation net of the operating costs required to earn that revenue, and ancillary to maritime operations at Pier 27, is presented in **Table 1**.

The best estimate for how much revenue the Port can anticipate in a stabilized operating year (typically two to four years after a project first opens) is presented in the middle column. A probable range for revenues reflecting the many uncertainties of how markets will react to the new facilities is also presented.

Table 1 – Pier 27 Summary of Net New Revenues to the Port (In Constant 2010 Dollars)

SCHEME A: Reuse of Existing Shed Building for Cruise Terminal

Source of Revenue	Low: "Pessimistic"	Best Estimate	High: "Optimistic"
Special Event Rentals	\$190,952	\$467,050	\$881,196
Parking	(\$107,360)	\$46,640	\$200,640
Commercial Leasing	(\$10,000)	\$0	\$10,000
Total Annual	\$73,592	\$513,690	\$1,091,836

SCHEME B: New Construction for Cruise Terminal

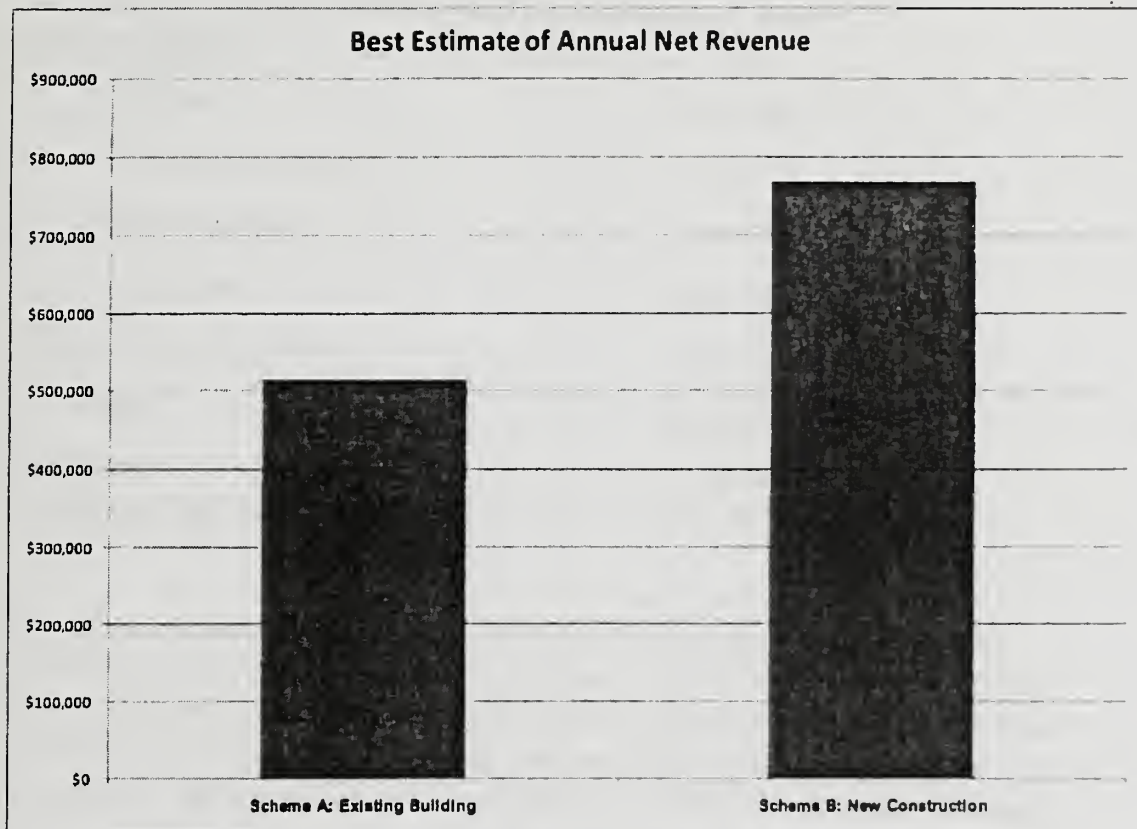
Source of Revenue	Low: "Pessimistic"	Best Estimate	High: "Optimistic"
Special Event Rentals	\$308,196	\$674,050	\$1,222,830
Parking	(\$59,840)	\$94,160	\$248,160
Commercial Leasing	(\$10,000)	\$0	\$10,000
Total Annual	\$238,356	\$768,210	\$1,480,990

Source: AECOM Economics.

Under the existing conditions, the Port already receives revenues from tenants at Pier 27, for example from parking within the Pier 27 shed, apron, and valley. To the extent that parking demand can continue to be satisfied by other Port lots in the vicinity, the new uses can be accommodated with little net loss of these existing revenues. However, some tenants such as those in the Pier 27 Annex

Office Building will have to relocate. To the extent that they cannot be accommodated elsewhere on Port property, there could be a net loss of some of the revenue currently gained from existing tenants.

There is a distinct difference between the two schemes, Scheme A accepting the constraints of reusing the existing shed building, and Scheme B, where a more marketable special event space could be created through new construction.



As can be seen in Table 1, the largest source of likely net new revenue would be through rental of the cruise ship terminal for special events. Revenue from this use would likely grow over time as:

- The availability of the space becomes more widely known in the marketplace;
- The Port gains experience with operations, and is able to minimize the time required to adequately serve cruise ships, and maximize the availability of Pier 27 for special event uses; and
- User groups learn what events work well at Pier 27 and create repeat events that draw larger audiences in future years.

III. Existing Conditions

The Port of San Francisco currently receives several revenue streams from land uses resident within the Pier 27 project area. Table 2 presents revenues collected during the most recent fiscal year. Tenants have been combined into like groupings to preserve the confidentiality of individual leases.

Table 2 – Summary of Existing Rental Revenue from Pier 27 (est. annual for 2010)

Source of Revenue	Annual
Pier 27 Shed	\$142,500
Pier 27 Annex Office Building	\$160,000
Beltline Office Building	\$52,000
Teatro ZinZanni	<u>\$252,000</u>
Subtotal Commercial Tenants	\$606,500
Parking	<u>\$1,400,000</u>
Total Annual	<u>\$2,006,500</u>

Source: Port of San Francisco.

The fundamental assumption made here is the City and Port have already made the decision to create San Francisco's new cruise ship terminal at Pier 27. In order to do this, the Pier 27 shed building and the Pier 27 Annex Office Building will have to be emptied and portions or all of those structures demolished to make way for cruise operations and for the public plaza along the Embarcadero. The tenants currently in those spaces may or may not be relocated to other Port properties, but the revenues forgone are not counted in this analysis because this decision has already been made.

In the cases of the Beltline Building, parking, and Teatro ZinZanni however, revenue has been generated from various portions of the site in the past, and may continue to be generated from a reconfigured site in the future. As discussed under the parking and commercial leasing sections below, recognition of some potential for loss as well as gain from these uses will be netted out from projected future revenues. The revenue streams described in Table 1 in the Executive Summary should all be new to the Port, net of selected losses from the existing situation, and net of the losses required to provide space for the cruise terminal.

IV. Analysis of Special Event Usage and Revenue

The analysis of special event revenues starts with the assumption that Pier 27 has already been reconfigured to accommodate the cruise terminal and the public plaza. The capital costs and loss of operating revenues from prior tenants, and the net revenues from future maritime operations are thus accounted for elsewhere. The cruise industry is projecting up to 80 cruise ship calls per year in San Francisco, and given a range of from one to three days of exclusive use required for each call, the cruise industry could occupy up to 240 days per year, or 66% of all available time at Pier 27. On the other hand, some years have brought only 40 cruise calls to San Francisco, and a future year with this pattern and the ability to turn a ship around completely within a 24-hour period would occupy only 40 days per year or 11% of available dates.

In either case, there will be times when the cruise terminal and much of the rest of the site at Pier 27 will be available for other uses. Availability for special events could range from 125 days per year to over 300, depending on the operating needs of the cruise industry.

Events Market Overview in San Francisco

San Francisco enjoys a thriving market for special events. Demand for spaces the size of what could be created at Pier 27 to be used for special events comes from a wide variety of sources. These include:

- Convention groups coming to San Francisco for the main meeting and exhibition facilities at the Moscone Center and for the concentration of hotels in the city, who also require "offsite event spaces" to hold receptions and special functions for subgroups of the main convention.
- Bay Area Corporations to do product announcements, offsite meetings, incentive events, and corporate parties.
- Bay Area Universities and Non-Profits for fundraising events, awards banquets and the like.
- Private parties holding weddings, anniversaries, family reunions, etc.
- Privately promoted consumer shows.
- Privately promoted concerts, dances, and other entertainment events.

Event planners will look creatively at all the spaces potentially available within the Pier 27 project site. The large enclosed spaces within the new cruise terminal building will be the most obvious venues for special events, but some event planners will also look at the valley, the pier apron, and any other indoor or outdoor spaces that could be utilized as well.

In general, the more finished and "move-in ready" a space is for an event, the easier it will be to find a user and the higher the rent it can command. A new passenger waiting room on the second floor with lots of windows overlooking the bay will be easier to rent than an old pier shed building without heat or windows. On the other hand, event planners are creative, and for space along the San Francisco waterfront, AECOM's research indicates there will be a market, at some level of rent, for just about any kind of space or site.

Event planners are constantly looking for new event sites in San Francisco. An overview of the types of venues that are currently available, and their current pricing, is presented in the Table below. Each event venue is unique. Some are only available as ancillary uses for some other program mission, such as the California Academy of Sciences, while others are actively soliciting special event users year round, such as Fort Mason.

Table 3 – Overview of Selected Event Sites in San Francisco

Facility Name	Total Usable Area (sqft)	Largest Single Exhibit/Meeting Space (sqft)	Maximum Theatre Capacity	Maximum Reception Capacity	Primary Use and Orientation	Rental Fee Range
SF Design Center Concourse	125,000	56,250	4,050	7,150	Large corporate events and trade shows	\$12,500-\$15,000 *
Treasure Island Hangars	145,000	70,000	20-2,000	75-2,700	Filming is main use, concerts, large corporate events	\$10,000-\$18,000
Fort Mason	88,000	50,000	5-437	30-3,800	Diverse range of uses and users: corporate, non-profit, weddings	\$8,000-\$9,500
Giftcenter Pavilion - now 888 Brannan	27,000	27,000	n/a	3,500	Corporate receptions, promotions, and other events	\$5,000 - \$6,500
SF Design Center Galleria	30,000	25,000	n/a	1,600	Corporate receptions, promotions, and other events	\$5,000-\$9,000
SF City Hall (Rotunda and Light Courts)	32,000	7,000	n/a	2,500	High profile events, parties - mainly corporate, but some private events	\$5,000 - \$25,000
Yerba Buena Center for the Arts	25,000	9,852	1,450	3,590	Corporate receptions, promotions, and other events	\$6,000 - \$10,000
California Academy of Sciences	400,000	40,000	300	3,000	Corporate receptions, promotions, and other events	\$4,000 - \$30,000
Pier 35	160,000	150,000	Can only host groups of 1,000 people - no public events		Large corporate and private events and some concert staging	\$2,000 - \$5,000
Cow Palace	325,000	50,000	n/a	n/a	Concerts and trade shows	\$1,000 - \$15,000
USS Hornet Museum	160,000	90,000	2,000	2,500	Broad range of users and uses majority corporate	\$5,000 - \$35,000
Bill Graham Civic Auditorium	85,000	31,140	50-7,000	25-7,000	Trade shows, concerts, and private events in smaller spaces	\$2,500-\$8,000**
Exploratorium	100,000	100,000	125	2,500	Corporate receptions, promotions, and other events	\$8,400 - \$10,000

* Rental Fee does not include event service fee of \$5,000

** Currently "closed" during process of exclusive rights contract - Rental fees from 2007

Source: AECOM Economics and individual facilities (2010)

There is also constant change in the supply of possible venues in the City. There are plans to close the SF Concourse and redevelop the site. Pier 48 has been discussed as a possible event venue in the future, coupled with major redevelopment of the adjacent SWL337. Both the Masonic Auditorium

and the Bill Graham Civic Auditorium are in the process of shifting to other entertainment uses with an unknown effect on their availability for other special event uses.

The next Table presents an analysis of pricing for event spaces in San Francisco that would be competitive in one or more ways to new venues at Pier 27. One way to compare spaces is the rent they can command per square foot. In general, larger spaces rent for less per foot than smaller venues. Ultimately, however, the event planner is most concerned with the total rental cost. The rents shown in the following table refer to the cost for an event day. Events that require additional time to move-in and set up or to move-out after the event are traditionally charged rent for those times at about half the event day rate.

Table 4 – Event-Day Rental Rates at Competitive San Francisco Venues

Facility Name	Largest Single Exhibit/Meeting Space (sqft)	Rental Rate (\$)	Price per Square Foot
San Francisco Design Center Concourse	56,250	\$12,500	0.22
Fort Mason	50,000	\$9,500	0.19
Giftcenter Pavillion- Now 888 Brannan	27,000	\$6,500	0.24
California Academy of Sciences	40,000	\$20,000	0.50
SF Design Center Galleria	25,000	\$9,000	0.36
Yerba Gardens Center for the Arts	9,852	\$6,000	0.61

Source: AECOM calls and The San Francisco Meeting & Event Planners Guide 2010.

The designs for a new cruise terminal, under either Scheme A or B, are still being finalized, but the design team has been able to define approximate sizes of spaces that are likely to be created and has consciously been designing spaces throughout the process that will function both for the cruise industry imperatives, but also for special event uses at other times. The most marketable space on the site will be the passenger waiting room portion of the cruise terminal. It will have the highest level of polish and be most comfortable for people to spend time in. In Scheme A it will be on the ground floor, but in Scheme B, with the greater flexibility provided by new construction, the waiting room would be on the second floor. In both cases these spaces would have overhead radiant heating, and could be cooled when needed using sustainable design techniques to maximize passenger and patron comfort at the lowest cost. In both cases there will be windows and doorways that will open on the bay side of the building providing views, exposure, and when appropriate, fresh air. Under either Scheme there is also likely to be a walkway and/or portions of the cruise ship gangway that could be used by some creative event planners.

A second major space created by cruise industry needs is a baggage lay down area. This space within both Schemes would be less finished and more industrial in character than the waiting area. For example, there would be no built-in provision for heating in that area. In Scheme A, the baggage area would occupy part of the existing clear span shed, but in Scheme B it would have columns in it supporting the clear span waiting area on the second floor above it. As shorthand to denote the differences in quality and characteristics of the two spaces in the eyes of event planners, the waiting area has been described by AECOM as a "ballroom" and the baggage area as an "exhibit hall."

Table 5 – Reasonable Pricing for Pier 27 Cruise Terminal Spaces

Description of Space	Size In Sq.Ft.		Approx. Rent/Sq.Ft.		Event-Day Rent	
	Scheme A	Scheme B	Scheme A	Scheme B	Scheme A	Scheme B
	Existing Building	New Building	Existing Building	New Building	Existing Building	New Building
"Ballroom" with Upper Walkway	21,000	24,000	\$0.43	\$0.48	\$9,000	\$10,000
"Exhibit Hall" (Baggage Area)	22,000	20,000	\$0.27	\$0.34	\$6,000	\$7,500
"Whole Facility"	43,000	44,000	\$0.30	\$0.35	\$13,000	\$15,000

Source: AECOM Economics projections.

The pricing formulated in Table 5 by AECOM for use in revenue projections below is designed to fit within the existing San Francisco market. Given that even with reuse of the existing structure in Scheme A the waterfront spaces created at Pier 27 will be among the newest and most exciting in San Francisco, and with new construction the attractiveness of the new cruise terminal will be even stronger for special event promoters, the pricing can be near the top of the market.

Following the practice of most multi-purpose event venues, a user that wants to use more than one space typically gets a discount off the rates of each individual space. In this case, a "whole facility" user would be able to rent the entire building for a bit less than either of the two major spaces combined. A classic use by a whole facility user would be to host a cocktail reception for 1,000 people in one of the major spaces, followed immediately by a sit down dinner with speeches and entertainment in the other space. Depending on the event's theme and creativity of the event planner, they could start in the baggage area and move to the waiting area, or vice versa.

Utilization and Gross Revenue Projections from Events Market

In order to forecast a "best estimate" of how much the Pier 27 project area would be used and what scale of gross revenue it would generate from special events, AECOM formulated the analysis presented in Table 6. The "ballroom" events are envisioned as primarily one evening food and

beverage functions. The "exhibit hall" events follow the profile of a small consumer show or other weekend function that sets up on a Thursday, is open to the public for Friday evening, Saturday and Sunday, and is moved out by early Monday. "Whole facility" users are shown as being in between in terms of the time they require. The new structure designed under Scheme B is deemed somewhat more attractive than the Scheme B reuse of the existing industrial shed, and is reflected in a few more events per year, and higher rental rate schedule.

Table 6 – Projection of Utilization and Gross Revenue

Scheme A: Existing Building	Average Rent Charges		Average Number of Events per Year ¹	Average Event-Days per Event	Average Move-In/out Days per Event	Total Days Occupied	Total Top Line Revenue
	Event Day	Move Days ¹					
"Ballroom" with Upper Walkway	\$9,000	\$4,500	20	1.00	0.25	25.00	\$202,500
"Exhibit Hall" (Baggage Area)	\$6,000	\$3,000	8	3.00	1.50	36.00	\$180,000
"Whole Facility"	\$13,000	\$6,500	10	2.00	1.00	30.00	\$325,000
Totals for Existing Building			38			91.00	\$707,500
Non-Cruise Days Occupied						44%	
Scheme B: New Building							
"Ballroom" with Upper Walkway	\$10,000	\$5,000	25	1.00	0.25	31.25	\$281,250
"Exhibit Hall" (Baggage Area)	\$7,500	\$3,750	10	3.00	1.50	45.00	\$281,250
"Whole Facility"	\$15,000	\$7,500	10	2.00	1.00	30.00	\$375,000
Totals for New Building			45			106.25	\$937,500
Non-Cruise Days Occupied						52%	

¹ Move-In and Move-out days charged at 50% of Event Day charge.

² Assuming a calendar of 80 cruise ship calls, and only 2.0 days per cruise call rendered unavailable for event rentals (160 days per year).

Source: AECOM Economics projections.

In practice, the special events created at Pier 27 will be wildly more varied than implied by the basic forecast in Table 6. Some may rent only the valley and use tents and other features to create an environment for a special outdoor event. Others may use combinations of indoor and outdoor spaces. Some events will be quite large in attendance and impact on the waterfront, and many will be quite small and sedate. The point, however, is that from the perspective of revenue and dates-occupied, the annual performance of the whole site is likely to be in this same range.

Assumed Business Model for Event Center Marketing and Operations

The gross revenue from special event rentals is of great benefit to the Port, because the venues for this business will have already been created in service to another mission, that of accommodating a modern cruise port. It is not all "free money," however, because there will still be some ongoing costs required to produce the event rental business.

Given the attractiveness of the San Francisco waterfront and the high demand for special events in this dynamic city, the Port has always been in the business of special events to some extent or another. Port staff have experience handling special events, and there is some capacity within existing staff to aid in an increased event volume stimulated by adding Pier 27 to the Port's inventory. Given this experience and these resources, it makes little sense for the Port to contract out the entire special event business to some other third party. The business model assumed going forward is that the Port itself would serve as owner/operator for the event spaces created by the Pier 27 project.

Table 7 – Port Operating Costs and Net Revenue

	Full-Time Equivalent Positions	Average Salary	Totals for Each Scenario	
			Existing Building	New Building
Event Rental Income			\$707,500	\$937,500
Operating Costs				
Staff Costs				
Events Manager/Marketer	1.0	\$90,000		
Staff Costs Including Benefits ¹			\$119,700	\$119,700
Allowances for Incremental Costs				
Marketing & Advertising			\$50,000	\$50,000
Repairs and Maintenance ²			\$35,375	\$46,875
Utilities ³			\$35,375	\$46,875
Total Operating Costs			\$240,450	\$263,450
Net Revenue from Event Usage			\$467,050	\$674,050

¹ Including 33% for benefits.

² Estimated at 5% of Event Rental Income

³ Estimated at 5% of Event Rental Income

Source: AECOM Economics projections.

The assumption is that the equivalent of one new staff person will be needed dedicated to the ongoing marketing and client service to users of Pier 27 for the dates year round when the facilities

are not needed by the cruise industry. In addition, the Port should budget for some annual marketing and advertising costs which would include ad placement in print media, partnership and membership with the San Francisco Convention and Visitors Bureau and other marketing organizations in Northern California, attendance at industry trade shows and other marketing events and the like. The Port would also be prudent to budget for a little additional wear and tear and utility consumption as a result of keeping the building user-ready year round.

In total, AECOM estimates that approximately \$250,000 per year might be required in increased ongoing costs. The net revenue remaining for the Port from the gross event rental income forecast above in the "best estimate" would be reduced by this amount.

Estimation of Range in Net Revenue from Events

There are many variables affecting the size of the net revenue the Port will ultimately realize from these new entrepreneurial activities.

- For one, there may be excitement in the market place when the facilities first open with user groups anxious to try out the new venues. Perhaps business interest will wane over time.
- On the other hand, the Port managers of the spaces will get better and more efficient at handling the events business over time, and will help facilitate growth in the business.
- With experience event promoters over time will figure out what types of events work well in the spaces. Most likely some successful events will be created that become repeat business year after year (e.g., holiday parties) that becomes very lucrative for all partners including the venue owner/operator.

One of the biggest factors, however, is the number of dates per year that the project area will be available for event use. The imperative is clearly for the maritime/cruise industry needs, and the dates available for special event use will be residual from the primary mission of the cruise terminal. At the moment there is concern that up to three days will need to be blocked out for every cruise ship call in order to adequately secure the area in advance of arrival, turn the ship around, and then clear the space back out within normal working hours before alternative uses on the pier may be allowed. On the other hand, the Port of New York, which has now had several years to learn how to maximize the utilization of their cruise facilities, reports that it is able to block out only one day per cruise call.

Related issues have to do with the plan that is ultimately proposed and adopted by the US Department of Homeland Security for how security will be handled within the cruise facility. One possibility is that, as is now the practice at Pier 35, special event must have a guest list available. While this in concept allows most convention groups, corporate events, and private parties, it would effectively preclude consumer shows and other public events where access may be gained by buying

a ticket at the door. There may be other ways to provide an adequate level of security without imposing this onerous rule on the special events business at Pier 27.

Table 8 and the related Figure 1 portray a variety of scenarios for different levels of cruise business and different rules applied for blocking out dates to handle the primary cruise function at Pier 27. The "best estimate" used in the preceding tables assumes the basic assumptions that 80 cruise calls per year are experienced by San Francisco, and that two days per call are required to service ships and provide the necessary security. It also assumes that public shows would be allowed to take place on the Pier.

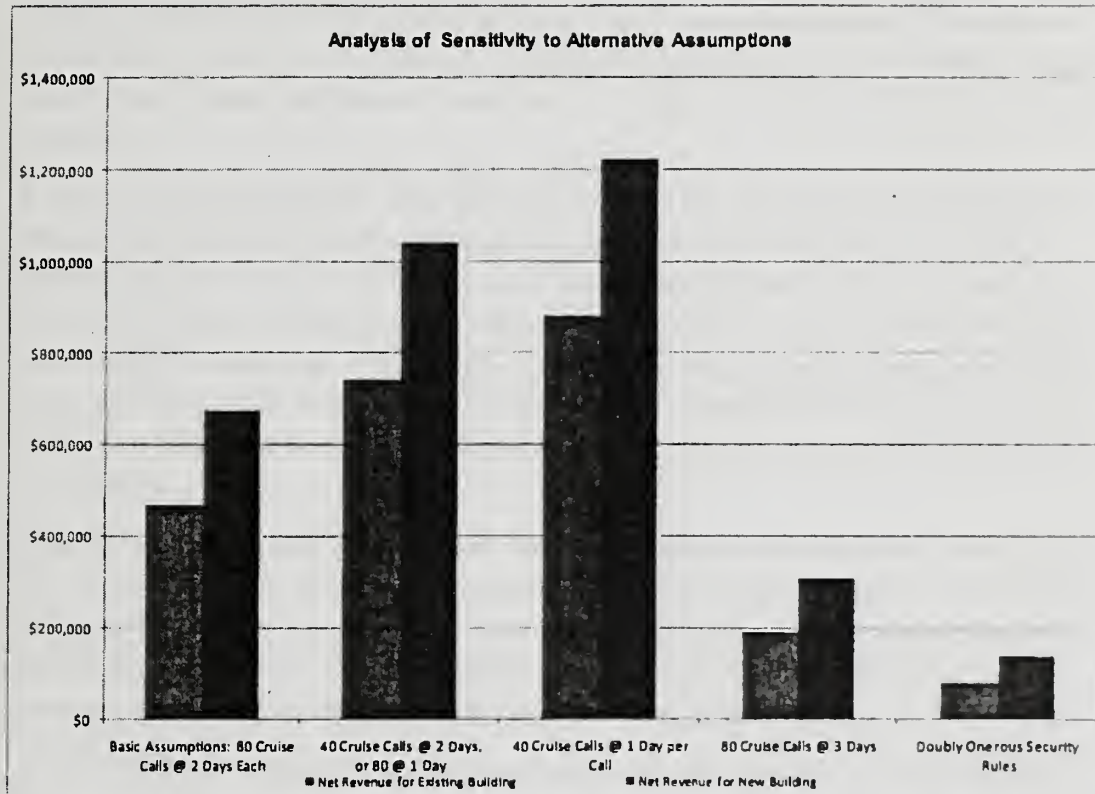
Table 8 – Range In Net Revenue Caused by Time Requirements to Service Cruise Ships

	Alternative Scenarios				
	Basic Assumptions: 80 Cruise Calls @ 2 Days Each	40 Cruise Calls @ 2 Days, or 80 @ 1 Day	40 Cruise Calls @ 1 Day per Call	80 Cruise Calls @ 3 Days	Doubly Onerous Security Rules ¹
Number of cruise calls	80	40	40	80	80
Average number of days blocked out for cruise call	2	2	1	3	3
Number of Days/Year Blocked for Cruise Ships	160	80	40	240	240
Total Days in a Year	365	365	365	365	365
Days Available for Event Rentals	205	285	325	125	125
Projections of Capture of Events					
Existing Building	38	53	60	23	23
New Building	45	63	71	27	27
Probability of Capturing an Event/Available Day					
Existing Building	18.5%	18.5%	18.5%	18.5%	18.5%
New Building	22.0%	22.0%	22.0%	22.0%	22.0%
Average Top Line Revenue for an Event					
Existing Building	\$18,618	\$18,818	\$18,618	\$18,618	\$18,618
New Building	\$20,833	\$20,833	\$20,833	\$20,833	\$20,833
Total Top Line Revenue per Year					
Existing Building	\$707,500	\$983,588	\$1,121,646	\$431,402	\$321,646
New Building	\$937,500	\$1,303,354	\$1,486,280	\$571,646	\$400,152
Fixed Operating Costs per year					
Existing Building	\$240,450	\$240,450	\$240,450	\$240,450	\$240,450
New Building	\$263,450	\$263,450	\$263,450	\$263,450	\$263,450
Net Revenue from Events					
Existing Building	\$467,050	\$743,148	\$881,196	\$190,952	\$81,196
New Building	\$674,050	\$1,039,904	\$1,222,830	\$308,196	\$136,702

¹ Not only are 3 days blocked out for event use for every cruise call, but public shows are not allowed.
Source: AECOM Economics projections.

As a proxy for the many variables that will affect the amount of business captured and the net revenue realized by the Port, AECOM has chosen to use this significant variable as a means of defining the high and low, "optimistic" and "pessimistic" ends of the projection range. Using the 80 calls and 2 days per call scenario as the best estimate, the low is defined by the alternative of 80 calls and 3 days required, and the high is defined by a year with only 40 cruise calls and only one day per call blocked out in service to the ships.

Figure 1 - Range in Net Revenue Caused by Time Requirements to Service Cruise Ships



V. Analysis of Parking Revenues

The analysis of net revenues from parking is somewhat more complicated for a number of reasons. First of all, portions of the site are already used for parking on a daily basis, and blocking off portions of the site for cruise ship calls could actually reduce the revenue the Port currently receives from parking on the site. There are other Port properties in the immediate vicinity, however, and if more of those are opened up for parking it is possible that the daily demand may still be captured by the Port in those other nearby locations. Examples include the connector building between Piers 19 and 23 which was recently opened up to parking, and the potential to provide more parking in the adjacent Pier 29 shed. Furthermore, Pier 29 could be repurposed to provide long term valet parking to people taking cruises providing another new revenue source to the Port that is outside of the current project boundaries.

In addition to demand for parking generated by employees in the neighborhood and by visitors who are attracted by Alcatraz Tours, Pier 39, area restaurants and other leisure pursuits, one of the tenants of the site, Teatro ZinZanni, has created repeat evening demand for parking several nights per week for the last 10 years. Loss of this tenant could decrease parking revenue from Pier 27, but then if the Port is successful in finding an alternative site elsewhere on Port properties where parking fees could also be collected, then this revenue might just be transferred from one location to another with no net loss to the Port. There may also be an option to retain Teatro Zinzanni in the final plan for the rebuilt site at Pier 27.

The Port has recently entered into a contract with a parking operator, Priority Parking, to manage the parking resources at Pier 27 and to collect the fees. The parking operator is currently collecting \$15 per day for parking, \$10 for evenings and weekends, and has the ability to charge what the market will bear for special events. The posted parking fees include the City's 25% Parking Tax. The operator keeps 34% of the collections net of the tax, and 66% flows to the Port.

There is a difference between Schemes A and B in that with new construction the terminal building can be designed to be narrower, allowing for an expansion of parking and circulation areas in the Valley to be larger (including a drop off zone up on the raised platform at the same elevation as the building floor). The amount of area available for parking and circulation in Scheme A is approximately 84,000 square feet, and 120,000 square feet in Scheme B. In both cases the circulation patterns required for cruise ship debarkation and embarkation will be created by painted lines without permanent curbs or barriers, allowing maximum use of the valley for parking or other outdoor special event uses when the cruise ships are not in port.

Assumptions made in order to estimate future parking revenues include the following:

1. The Port will continue to use the same business model for managing parking; i.e., contracting with a parking operator where the Port receives 66% of the revenue collected net of the City's 25% tax.
2. The 25% City Parking Tax is not counted as revenue to the Port.
3. Teatro ZinZanni will either continue to be accommodated on site, or will be relocated to another Port site that also allows the collection of parking revenue. In other words, no net gain or loss is assumed for parking revenue associated with Teatro ZinZanni.
4. The Port will lose approximately 80 spaces on the Pier 27 apron and over 100 spaces inside the Pier 27 shed building on a permanent basis in order to accommodate the cruise terminal. The Port will be able to expand parking areas in the vicinity sufficiently to continue to meet daily and evening parking demand generated by nearby employees and visitors to the area. In other words, there will be no net revenue loss from parking, although there may be some minor diminishment of space rental revenue as low paying storage tenants are relocated to make way for parking on other Port properties or lost as Port tenants.
5. During cruise calls, daily/evening parking will be lost for some period of time for each ship. In Scheme B, however, there will be room in the valley for some short term parking associated with the debarkation and embarkation activities that could replace some of the lost revenue.
6. Special event rentals will attract an entirely new set of users to the site, and the parking fees collected at these events will create net new revenue to the Port.
7. When cruise ships are in port, it is assumed that no daily parking will be allowed. Thus, up to a maximum of 80 days out of 365 could be lost over what is currently collected in parking revenue, or 22% of the annual total. Given that approximately \$1.4 million currently flows to the Port from Pier 27, if no replacement parking could be found, 22% of that revenue, or \$307,000 per year could be lost.

Following this set of assumptions, the clearest net addition to potential parking revenue to the Port is through accommodating parking to the patrons and guests of special events. These are people and their cars that would not have been in the neighborhood without the new event venues. Table 9 presents a methodology for estimating the revenue associated with special events. The capacities of the various spaces are first estimated, and then typical occupancies within those capacities. The number of event days are estimated based on the analysis of rental revenue above, and factors are applied for the propensity to arrive by private car and the assumed costs of parking for special events.

The result is a range of between \$200,000 and \$250,000 per year in net new revenue to the Port after taking into account the costs of using a parking contractor to manage the lots.

Table 9 – Estimation of Net Parking Revenue from Special Events

Existing Building	Size of Space In Sq. Ft.	Comfortable Capacity at One Time	Attendance		Average Number of Events per Year	Average Event-Days per Event	Total Event-Days per Year	Total People In Attendance Per Year	Total Cars Parked on Port Property ²	Net New Port Revenue from Parking ³
			Average Number of Unique People Attracted/Day ¹	Average Number of Events per Year						
"Ballroom" with Upper Walkway	21,000	1,200	900	20	1	20	18,000	4,500		\$47,520
"Exhibit Hall" (Baggage Area)	22,000	1,100	1,500	8	3	24	36,000	9,000		\$95,040
"Whole Facility"	43,000	1,200	1,100	10	2	20	22,000	5,500		\$58,080
Totals for Existing Building				38		64	76,000	19,000		\$200,640
New Building										
"Ballroom" with Upper Walkway	24,000	1,300	1,000	25	1	25	25,000	6,250		\$66,000
"Exhibit Hall" (Baggage Area)	20,000	1,000	1,500	10	3	30	45,000	11,250		\$118,800
"Whole Facility"	44,000	1,300	1,200	10	2	20	24,000	6,000		\$83,360
Totals for New Building				45		75	94,000	23,500		\$248,160

¹ "Ballroom" users at 75% of capacity of seated banquet. "Exhibit Hall" at 500 people in Aisles at one time, but 3 "turns" per day.

² "Whole Facility" at 90% capacity of just banquet room.

³ Assuming 1 car for every 4 people. Some will come by transit, some will park offsite, and many will arrive 2/car.

⁴ A is net to the Port of \$10.56 / car parked for special event (e.g., \$20 including 25% tax, and 66% net to the Port).

Source: AECOM Economics projections.

For purposes of creating a range of revenue estimates, the totals estimated in Table 9 are used as the "optimistic" or high end of the range. In other words, the high end would assume all of this parking demand is net new to the project area, and all of the historical demand would still be able to be accommodated either onsite or on other nearby Port properties.

A bottom end of the range is set by assuming the Port loses 22% of its historical parking revenue from Pier 27. This is equivalent to all the parking for 80 days of the year the cruise ships may now be at the pier with no ability assumed for the Port to recapture any of that parking demand elsewhere on Port properties. The mid range, or "best estimate" is then defined by a scenario where half of the parking displaced during cruise ship calls is recaptured at other Port lots, such as the one in the connector building between Piers 19 and 23. The results of this analysis were put into Table 1 in the Executive Summary.

This analysis ignores another possibility because it would occur outside of the project area boundaries. Long term cruise parking is another potential new line of business that the Port may choose to get into by relocating tenants in Pier 29 and repurposing at least a portion of that shed for that business. To the extent that long-term cruise parking is a higher and better use than what is currently occupying the Pier 29 shed, that could create additional net revenue for the Port.

VI. Analysis Commercial Restaurant and Retail Uses

The Port currently receives revenue through commercial leasing of the Pier 27 shed building, the Pier 27 Annex Office Building, the Beltline Office Building and Teatro ZinZanni occupying a portion of the valley between Pier 27 and Pier 29. The revenue from these four clusters of tenants has been running approximately \$600,000 per year (see Table 2 under Existing Conditions). The Port will lose the revenue currently collected from the Pier 27 shed and the Annex because those will have to be vacated to make room for the terminal and the public plaza, but that loss is not counted in this analysis because the decision to accommodate the cruise industry at Pier 27 has already been made. It is also possible that many or all of those tenants may find other space for relocation within the Port's inventory of properties.

Similarly, it is assumed here that Teatro ZinZanni will continue to be housed on Port property, and it is quite possible that they will still remain somewhere within the Pier 27 project area, perhaps closer to the public plaza. The Beltline building is assumed to stay in revenue producing mode, if not with the same office tenants, then with tenants that will pay similar rents. Should the ground floor of the Beltline building be repurposed for providing public restrooms as has been suggested, then there would be some loss of approximately half the revenue currently received by the Port, or approximately \$26,000 per year.

On the other hand, the planning for the public plaza has included discussion of approximately 10,000 square feet of commercial space that could help enliven the space, provide comforts to visitors to the area, and generate additional revenue for the Port. The possible design of this space within the site is ongoing and discussed in other consulting team documents. The most likely long term configuration, however, is that it would be in a collection of small structures and would be heavily focused on food and beverage. One possibility would be a restaurant of 5,000 to 6,000 square feet, and several smaller cafés and takeout food places that would utilize parts of the public plaza for seating and picnicking. A couple of very small retail kiosks and sport equipment rental outlets would also be appropriate. The 10,000 square feet is only a planning order of magnitude, and the total could be larger or smaller than this.

The immediate implementation problem, however, is that there is insufficient budget in the cruise terminal project to pay for freestanding buildings to house these commercial businesses in and around the public plaza. As an interim solution, leasing of spaces within the plaza for movable carts, taco trucks, and kiosk stalls could be accomplished, perhaps with some basic utilities provided within the plaza creation as part of the larger project.

For a longer term solution, presented in Table 10, the lease revenue from tenants could be used to amortize long term debt on capital used to build the collection of small new commercial structures.

Table 10 – Pro Forma for Producing Commercial Space Through Port Leasing**Business Model Assumed:**

Port builds a freestanding commercial buildings and contributes to Tenant Improvements.
Tenants build out interior spaces and operates businesses (mostly restaurants).

Building Size (Gross Building Envelope)	10,526		
Building Efficiency	95%		
Building Size (Gross Leasable Area) Sq.Ft	10,000		
		Monthly	Annual
Port leases space at a base rent per square foot of:		\$2.50	\$30.00
Plus a percentage rent of 6.0% of Gross Sales			6.0%
Over a base of \$3,000,000 in Gross Sales/Year ¹			\$3,000,000

Typical Restaurant Operator Economic Revenue to Port		Monthly	Annual
Gross Sales per Sq.Ft.	\$500	Base Rent	\$25,000 \$300,000
Gross Sales per Year	\$5,000,000	Percentage Rent	\$10,000 \$120,000
Investment in T.I.s/Sq.Ft.	\$200	Total Rent Collected	\$35,000 \$420,000
Total Investment in T.I.s	\$2,000,000	Memo: Rent/Sq.Ft.	\$3.50 \$42

Assumed Port Development Costs

Construction of Warm Shell @	\$300 per Sq.Ft.
Landlord's Contribution to T.I.s @	\$100.00 per Sq.Ft.
Total Port Investment Required	\$400 per Sq.Ft.
Total Port Investment Required	\$4,210,526 entire structure

Example of Possible Port Financing Through Bonds

Annual Rent to the Port Available for Debt Service	\$420,000
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Based on the following bond issuance assumptions:

Coverage Ratio	1.25
Term in Years	25
Interest Rate	4.5%
Reserve Fund	10.0%
Costs of Issuance	4.0%
Agency Administration	1.4%

Amount of Investment Financed by Bond Proceeds	\$4,224,773
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Residual Surplus (or Gap) After Bond Finance	\$14,246
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¹ This could be composed of a base of \$2,000,000 for a single large restaurant, and bases of \$500,000 each for a couple of smaller eateries.

Source: AECOM Economics projections.

Table 10 presents a business model where the Port utilizes public capital, modeled here as being part of a larger bond issue for city purposes (assuming 25 year bonds at a 4.5% interest rate, and other bond issuance assumptions as shown in Table 10). Given that the majority of the spaces should be devoted to food and beverage, market factors reflecting restaurant businesses are used to estimate gross sales (of \$500 per square foot) and gross revenues and reasonable investments in tenant improvements to and by the restaurateurs, and base rents (\$2.50 per square foot per month) and percentage rents (6% over a base) to the Port.

The point of the exercise is that the Port should be able to amortize the cost of building structures and contributing to tenant improvement (\$300 per foot for shell plus \$100 in T.I.s) and still break even. Another way of characterizing that same conclusion is that after the Port creates the activated public plaza and the elegant permanent amenities that enhance it, they should expect little or no remaining net revenue from the leasing on those 10,000 square feet of commercial spaces.

An alternative business model for the Port would be to ground lease the opportunity for 10,000 square feet of concession space to a private developer who would then finance the construction privately and collect the lease revenue from the tenants to amortize his investment. The advantages to the Port of this business model would be to push the risk of construction and market leasing to a private partner, and create a more reliable revenue stream in the form of master ground lease payments made to the Port. The disadvantages to the Port from this strategy would be some loss of control over the project, including the ongoing quality control over the tenants, limitation of revenue potential to a relatively small payment, extension of the time before the capital improvements return to Port ownership, and this strategy ignores the staff capacity the Port already has in place to manage this type of real estate in-house. In contrast, if the Port serves as its own developer and property manager it has the option of paying down the construction debt faster and producing a larger income stream that flows long into the future.

Thus, the best estimate for net revenue production in Table 1 in the Executive Summary reflected the business model where the Port serves as its own developer and property manager, and showed no residual ongoing revenue to the Port until after the bonds are paid off. There is clearly some variability in making such estimates, however, and in order to show a low and high range for this conclusion, a \$10,000 annual loss and a \$10,000 annual profit were used.

Ironically, there may be potential to collect somewhat more than \$10,000 per year net by renting out spaces for pushcarts, bike rental kiosks, motorized food trailers, and mobile food catering trucks adjacent to the public plaza on an interim basis. The San Francisco Recreation and Parks Department does this in a variety of locations throughout the City. The typical Rec & Parks arrangement calls for a minimum rent of \$1,000 per month per vendor space, with the vendors then

proposing a percentage rent above this if the business location proves to be lucrative. An interim solution involving one or more mobile vendors could be accomplished with essentially no infrastructure improvements other than temporary blacktop adjacent to the plaza, or could include some utilities being brought to the site and planter boxes being arranged to define locations with landscape elements. Without permanent structures designed specifically for the site, however, this interim solution is unlikely to create the character that San Francisco would be proud of for the long term design of its waterfront.



SAN FRANCISCO PORT COMMISSION

**APRIL 23, 2013
MINUTES OF THE MEETING**

GOVERNMENT
DOCUMENTS DEPT

MAY 13 2013

MEMBERS, PORT COMMISSION
HON. DOREEN WOO HO, PRESIDENT
HON. KIMBERLY BRANDON, VICE PRESIDENT
HON. WILLIE ADAMS
HON. LESLIE KATZ
HON. MEL MURPHY

SAN FRANCISCO
PUBLIC LIBRARY

MONIQUE MOYER, EXECUTIVE DIRECTOR
AMY QUESADA, COMMISSION SECRETARY

CITY & COUNTY OF SAN FRANCISCO PORT COMMISSION

MINUTES OF THE MEETING APRIL 23, 2013

1. CALL TO ORDER / ROLL CALL

Port Commission President Doreen Woo Ho called the meeting to order at 1:37 p.m. The following Commissioners were present: Doreen Woo Ho, Kimberly Brandon, Willie Adams, Leslie Katz and Mel Murphy.

2. APPROVAL OF MINUTES – April 9, 2013

Commissioner Brandon – I'd like to make a couple of corrections to the minutes. Commissioner Mel Murphy's name was omitted from the cover page of the minutes and Commissioner Leslie Katz chaired the meeting.

ACTION: Commissioner Brandon moved approval of the minutes, as revised; Commissioner Adams seconded the motion. All of the Commissioners were in favor. The minutes of the April 9, 2013 meeting were adopted, as revised.

3. PUBLIC COMMENT ON EXECUTIVE SESSION

4. EXECUTIVE SESSION

A. Vote on whether to hold closed session.

ACTION: Commissioner Brandon moved approval; Commissioner Adams seconded the motion. All of the Commissioners were in favor.

At 1:39 p.m., the Commission withdrew to executive session to discuss the following matters:

(1) CONFERENCE WITH LEGAL COUNSEL AND REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative:**

- a. Property: Piers 30/32 and Seawall Lot 330
Person Negotiating: Port: Byron Rhett, Deputy Director, Planning & Development and Brad Benson, Special Projects Manager
OEWD: Jennifer Matz
*Negotiating Party: Golden State Warriors and GSW Arena LLC: Rick Welts, Ellen Warner, Jesse Blout, Michael Cohen
- b. Property: 295 Terry Francois adjacent to Pier 48

Person Negotiation: Port: Susan Reynolds, Real Estate Director

*Negotiating Party: East Street SF: John Cain

(2) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING AND ANTICIPATED LITIGATION MATTERS

- a. Discuss existing litigation matter and approve proposed settlement pursuant to California Government Code Section 54956.9(a) and San Francisco Administrative Code Section 67.10(d): (Discussion and Action Item)
 - Contract Claim of Vortex Marine Construction ("Vortex"), filed with Port of San Francisco February 21, 2012: Discussion and approval of settlement of Vortex's contract claim for compensation due to alleged differing site conditions for pile driving at Rows A-D, for the Pier 43 Bay Trail Link Project, Port Contract No. 2727. Proposed settlement of Vortex's claim upon terms which include Port's issuance of Contract Change Order No. 7, in the amount of \$360,594, to Vortex in exchange for Vortex's full release of the contract claim, and agreement to indemnify the Port and City from all claims of subcontractors, materials suppliers, and lien claimants related to the pile driving work in question. A copy of the proposed Change Order No. 7, containing the terms of the settlement, is available for inspection with the Port Commission Secretary.
- b. Discuss anticipated litigation matter pursuant to California Government Code Section 54956.9(a) and San Francisco Administrative Code Section 67.10(d): (Discussion Item)

Number of Potential Cases: 1 X As Defendant

Facts and circumstances: On or about February 2012, the Port received correspondence from Vortex Marine Construction, alleging deficiencies in the Port's design and construction documents for the Pier 43 Bay Trail Link Project, Port Contract No. 2727, concerning (a) alleged unidentified utilities; (b) constructability of the promenade deck; and (c) Contractor's office and field expenses, alleging an entitlement to substantial compensation, which the Port disputes. Despite efforts to negotiate a compromise of this matter, these circumstances present significant exposure of potential litigation.

- c. Discuss existing litigation matters pursuant to California Government Code Section 54956.9(a) and San Francisco Administrative Code Section 67.10(d): (Discussion Item)
 - *Ferry Building Investors, LLC and Ferry Building Associates, LLC v. San Francisco Port Commission; Board of Supervisors of the City and County of San Francisco, et al.*; Superior Court of California,

- *Neighbors to Preserve the Waterfront; Friends of Golden Gateway; and San Franciscans for Reasonable Growth v. City and County of San Francisco; Planning Department of the City and County of San Francisco; Port Commission of the City and County of San Francisco; Board of Supervisors of the City and County of San Francisco, et al.*; Superior Court of California, County of San Francisco (Case No. CPF 12-512356), filed July 23, 2012.

5. RECONVENE IN OPEN SESSION

At 3:30 p.m., the Port Commission withdrew from executive session and reconvened in open session.

ACTION: Commissioner Brandon moved approval to adjourn closed session and reconvene in open session. Commissioner Adams seconded the motion. All of the Commissioners were in favor.

ACTION: Commissioner Brandon disclosed that the Commission unanimously voted to approve the proposed settlement of the contract claim filed by Vortex Marine Construction for compensation due to alleged differing site conditions for pile driving for the Pier 43 Bay Trail Link Project, as described in Agenda Item 4.A.2.a. and to not disclose anything else discussed in closed session. Commissioner Adams seconded the motion. All of the Commissioners were in favor.

6. PLEDGE OF ALLEGIANCE

7. ANNOUNCEMENTS: The Port Commission Secretary announced the following:

- A. Announcement of Prohibition of Sound Producing Electronic Devices during the Meeting: Please be advised that the ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing of or use of a cell phone, pager, or other similar sound-producing electronic device.
- B. Announcement of Time Allotment for Public Comments: Please be advised that a member of the public has up to three minutes to make pertinent public comments on each agenda item unless the Port Commission adopts a shorter period on any item.

8. EXECUTIVE

- A. Executive Director's Report

Monique Moyer - Thank you for joining us today on this most gorgeous day and in celebration of the Port's 150th anniversary.

- San Francisco Heritage Soiree – May 11, 2013 from 6-11 p.m. at the San Francisco Maritime Museum

The San Francisco Architectural Heritage annual soiree will be held on May 11, 2013 from 6:00 to 11:00 p.m. at the San Francisco Maritime Museum. The annual soiree is a fundraiser for the San Francisco Architectural Heritage, and this year the soiree will celebrate the restoration of the Maritime Museum. It is a San Francisco Aquatic Park National Historic Landmark. It was inspired by the era of the 1940s glamour, so it's kind of in keeping with our own birthday event. The soiree will be black-tie, featuring fine dining, dancing, casino gaming, silent auction, and magic. San Francisco Architectural Heritage is an important waterfront partner for the Port. They partnered with the Port on our historic preservation policy and our listing on the National Registry for the Embarcadero Historic District. They also published the book, *Port City: The Transformation of the Port of San Francisco, 1848-2010*. We've been very proud of that book. It's gotten a lot of attention chronicling why these piers came to be and what they've been used for. Michael Buhler, the San Francisco Heritage executive director, also serves on the Port's Central Waterfront Advisory Group.

On Sunday April 28, 2013, Maritime Day, Michael Corbett, the primary author of *Port City*, will be giving a lecture on the Port's history at Pier One. They're wonderful partners and we're pleased to be able to support them in their annual fundraiser and have a good time at their soiree.

- Gift of Scrimshaw, Swordfish Sword, from Port Pile Worker Bruce Lanham in honor of the Port's 150th Anniversary

Bruce Lanham, Port Pile Worker, made a tremendously personal and unique gift for the Port in honor of its 150th anniversary. Bruce has been with the for Port 21 years. A pile worker performs a variety of manual work in the repair and construction of piers, wharfs, and related substructures. The essential functions are placing, driving, and capping piles, placing stringers, sawing and laying decking, boring holes and framing timbers, tearing out decayed and damaged decking, stringers, caps and pilings. The Pile Worker is also responsible for assisting in moving and rigging the pile driver and/or truck crane and making minor repairs to the machinery itself. If you're really good, you actually never fall in the water.

In January 2005, the Port of San Francisco had an opportunity to quickly move into the break bulk cargo industry and determined that we wanted to get our cargo piers into break bulk and we needed to work very quickly to get them certified by the USDA so we could help with a special movement of rice. The rice, as you probably recall, was part of a mutual aid that went to Papua New Guinea through Australia. Australia had agreed to provide

rice to Papua New Guinea, but didn't have quite enough, thus looked to the United States to help. The Port was able to move very quickly to make that happen. We exported rice from the Port, from February through July.

In January of 2005, we made that decision, which of course meant we had an incredible amount of work that we had to do very quickly. It had to be very high-quality work and was ultimately inspected by the Federal government. It was Bruce and his team that made that happen. I don't recall acknowledging you for that, so I'd like to do that today as well.

Bruce has brought to us a swordfish sword that he has done scrimshaw on in commemoration of the Port's 150th. I'll turn it over to Bruce to show and present it to the Port as his personal gift.

Bruce Lanham - It's a swordfish sword from a boat that called at Fisherman's Wharf. The artwork or images on it are scrimshaw. It's engraved and then inked, a rather old technique. The anniversary came up and I decided it was a unique opportunity. I've been thinking about it for a while and it just all came together.

Commissioner Woo Ho - On behalf of the Commission, we want to thank you for both the thought and the dedication that Monique has just mentioned, and certainly the creativity. It warms our heart to see something so unique from you from your heart to our hearts here at the Port and to celebrate what you've done for the Port all these years. Thank you for making the 150th Anniversary even more special this week.

- 150th Anniversary Banners and Pylons – April to November 2013

As you look around the room, you will see a display of all 12 of our banners that are commemorating the Port's 150th as well as a couple of the pylons that have been created. I wanted to talk a little bit about how this came to be. We started talking about the Port's 150th at staff level some time ago, and tried to decide what it was that we wanted the occasion to commemorate. In thinking about that, we wanted to remind people of the great history and how this Port was so significantly entwined with the City and how the City developed from the great work of the Port and that evolution of the City has caused the Port to evolve as well. For example, the South Beach area was where all the mail came in when mail still came by ship, and there was a restaurant erected right where Delancey Street Restaurant appears to be today. That then transformed into a new use and now it is something that is much more modern; South Beach as we know it is a mixed-use community. Still the Port plays a viable role there and still brings in boats and ships and cruise ships to that area of the waterfront, and we hope to continue to do so.

Because our Port isn't behind fences, and because we aren't a singular product, it's very hard for your average person to know what the Port is and

how it touches their lives, but nonetheless, it does touch their lives every day. Some of it historically and some of it in the moment, and certainly a lot of it going forward.

As we started talking about what that means, it became clear that we wanted to remind people of how it might have touched their lives. As the Port Director, I get to hear stories from people all the time of how the Port has touched their lives, and it's very gratifying for me. There are many generations of San Franciscans here who have experienced the Port, maybe even those that came before the bridges were built who tell me their stories of seeing the City for the first time, having come into the Oakland area and taken the ferry across to their new home in San Francisco. It has such meaning for them that we hoped we could try to capture some.

We wanted to remind people about the present and the future of the Port and, again, how it touches their lives. This amazing team of creative people came up with these great ideas to do the pylons and the banners. The pylons are a concept Dan Hodapp came up with to represent sort of a historical fact about the Port and then also to capture people's imagination with a "Did you know?" The concept of the "Did you know?" was to try to get it into something that you might find yourself repeating at a party. "Did you know why it was named China Basin? Did you know why it was named Telegraph Hill, Dogpatch? Did you know that Pier 15 was the disembarkation point for all of the men serving in World War II that defended the Port and the Pacific?"

That was the concept of the historical and the "Did you know?" I'm really proud that all of this work that you see around you was done by Port staff and Port interns. We did not use any outside consultants. We have a most amazingly talented staff. There are 20 pylons placed up and down the entirety of the waterfront, trying to be as strategic as possible with their location. They have a couple of neat attributes, and happily, they are sponsored, so we like that part, too.

The "Did you know?" portion of the pylons is facing towards the people that are activating and using the waterfront and primarily the promenade, but also the blue greenway and the southern waterfront. If you happen to watch, you'll see people going along and then suddenly stopping to read what's up there. There's also a map that shows where you can find out the rest of the historical tour if you got engaged in this particular pylon and wanted to know more.

Then there's the celebration of the Port's 150th and a thank you to our sponsors, and that is facing towards the City, primarily as one drives down the Embarcadero or drives down Terry François Boulevard or Illinois Street, then you'll be able to catch a glimpse of this.

They've been very well received and I want to read to you something that someone sent to me that sort of proves the point of what we were after. This person sent me an email saying, "The Port's pylons have brought back some memories. My dad was a longshoreman and a writer who worked at Pier 15. As a writer, he wrote the script for the documentary 'Harry Bridges: A man and his union,' narrated by Studs Terkel, which appeared at the Sundance Film Festival and won a Columbia Journalism award. He used to take me along the waterfront and to the union hall, and God knows my mother had to fish him out of any number of waterfront bars back in the day. The Port has been, and now remains more than ever, a huge part of my life. Thanks to all the Port staff for keeping it alive and thriving for the future." Kudos to all of you; that was exactly the sentiment that we were aiming for. You can see that writing is in his blood, because he wrote that more eloquently than I could possibly say.

For the record, I'd like to recognize each and every person that worked on the pylons:

Carpenter Shop: Kevin Johnson, Ellsworth M. Jennison, Michael O'Connor, Carl Weaver

Laborers: Kevin Patterson, Victor Aguirre, David Gibbs, William Kelly

Iron Workers: Dan Maguire, David Baldini, Brian Kosch, Edmund Lucia, Michael Petrie, Kenneth Yee, Gary Silvestri

Painters: David Banks, Joseph Demafeliz, Peter Gorbachev, Lawrence Iorio, John Montes

Operating Engineer: Troy Escort

Sheet Metal Workers: Ozzie Caamano, Roland Perez, Martin Shea, Martin Smith

Truck Drivers: Alex Chong, Roy Maxson, Nick Sarantes

Plumber, Photographer Extraordinaire: David Rauenbuehler

Maintenance Administration: Tom Carter, Sue Greci, Patricia Marquez-Ramirez

Planning & Development: Lourdes Juarez, Caitlin Campbell, Carol Bach, David Beaupre

Maritime: Michael Nerney

We have a little something to commemorate your special involvement in this occasion. These are especially made 150th anniversary hats. On the back of them, for you and only you, it says "Pylons Crew." I hope they'll be a great memento of your time working on this amazing project. I hope that you get to share with your own friends and families what a great thing you did.

Secondly, the group that did the banners. The banners are incredibly amazing. The concept of the banners was to remind people how they use the waterfront today. It's been surprising for people to recognize that they are, in fact, at the waterfront and didn't even realize it, that they were actually at the Port. Originally, there was a lot of discussion of what these

banners might look like and how they could be a simple moment and simple reminder just as you are driving along in your car. Damon had a lot of fun getting a lot of criticism from a lot of people and did an outstanding job making them. Unfortunately, they are biodegradable, so they won't be with us forever, but they are absolutely gorgeous and we are planning to turn the images into merchandise that we can keep forever.

To be commended for that, I'd like to ask Damon Burgett to come on forward. His hat says, "Banners Crew."

The last person who has to give back his other hat is our very own Dan Hodapp, who led all of these great creativity, took on everything from getting the idea solidified, drafting all the people, getting the regulatory permits, a million things. He did so a lot on his spare time and that of his team. Lourdes Juarez, on the pylons team, was here past midnight several times. He has his own very special one-and-only hat, which says "Banner and Pylon Crew."

To help solidify that moment, I want to read a handwritten note I received regarding the banners. "Thank you, thank you. I passed on Embarcadero and saw a fish on the Port banner. Oh, I cannot tell you after all these years, I finally saw a banner saying fishing at the Port. I have begged and even asked around what it would cost me for years. Yes, the tears of happiness and contentment are flowing."

That has been some of the reaction by a lot of people seeing something that touches their life so prominently displayed but also celebrated. I want to commend all of you for your amazing talent. People are stunned when I tell them it wasn't a high-class design firm that did all this great work, or that the work was all done by our maintenance team. It's been really amazingly great. Thank you very much.

Commissioner Katz – I just want to make sure the public gets to acknowledge the talent we have.

Monique Moyer - I forgot to mention something that Dan said, and I thought he said it very well. In coming up with these ideas, Dan's vision was, "To celebrate the 150th, we should have party favors for our guests. We have attempted to do so with the banners and the pylons." That's exactly what has happened. My thanks to all of you and congratulations!

I want to thank President Woo Ho for doing the radio spot on Tsing Tao Radio in Cantonese translated into Mandarin by our own Vicky Lee. We're very pleased of that. Here is one of the great advertisements that is in Tsing Tao's newspaper for Maritime Day. Hopefully you get a chance to grab one of the flyers from Francisco Da Costa. It's the advertisement for the all-black Buffalo Soldiers presentation that will be held at Pier One on Sunday.

A lot of great things are happening. We're very excited about celebrating the rest of this week. Today, the Oracle USA 17, which is the second of the two AC72s, was christened, and the Mayor thanked them profusely for bringing such a beautiful boat for the Port's birthday. We were very gratified to have that, as well.

Commissioner Woo Ho - On behalf of the Commission, we're really excited about the 150th anniversary this week and there's a lot of exciting events going on, even starting with the ballpark tonight and tomorrow in terms of the gala and the media reception and just so many things going on Sunday. Hopefully, we've made the Port come alive for San Francisco this week. At the end of the day, the Port is about people. We commend staff for this wonderful work that we've seen. I hadn't realized it was all done in-house and we're very impressed with the creativity. I know in working with the staff a little bit in terms of doing the radio interview, and all the volunteer time, I'm most impressed with the fact that this was just above and beyond what everybody had to do at the Port to make this visible and something worth celebrating. Most importantly, we're so excited about the future going forward in addition to celebrating the past and the present.

Commissioner Katz - I concur with the remarks of my colleague. I just recently showed the cards that had been made that mirror the signs to a friend of mine who's an artist. I didn't realize this was done in-house. She said, "Wow, those are spectacular. You should mount those and frame them all." Kudos to staff. That's from somebody who's worked at some of the top museums in the country. It definitely speaks volumes about our talent here at the Port.

Commissioner Woo Ho - Hopefully you can preserve some of the banners that would be kept inside for exhibit in the future, even if they're biodegradable.

Monique Moyer - We're trying. Ours were first but I noticed San Francisco Travel just announced that they have biodegradable banners now and took credit for being first, but we were first.

9. REAL ESTATE

- A. Request authorization to issue a Request for Qualifications (RFQ) soliciting three contracts for As-Needed Environmental and Related Professional Services each in an amount of \$1 million, totaling \$3 million. (Resolution No. 13-17)

Andres Acevedo, Port's contracts manager - I'm requesting Commission's authorization to advertise a Request for Qualifications, a solicitation for As-Needed Environmental and Related Professional Services. I'd also like to introduce the project managers on this particular project, Lauren Eisele and Shannon Alford.

The purpose of this contract is to allow the Port to retain a pool of qualified contractors to perform as-needed environmental and related professional services. This contract is being issued under the authority granted us under Chapter 6 of the Administrative Code.

There would be three contracts awarded to three firms that would make up the as-needed pool. The contracts, each of them will have a contract for a maximum value of \$1 million, so the total contract authorization would be \$3 million. The term would be for three years with an option for a fourth year. There is a 22 percent LBE goal. A contract service order (CSO) will be issued for each of the projects that will be done under these contracts. The projects will be limited to \$200,000 or less. Funding will be drawn from a combination of operating funds or capital funds, depending on the project. The funds will only be encumbered when we issue a CSO, so we will not be encumbering the full \$1 million by signing the contract.

The selection process will follow the standard City policies and procedures, which include an initial screening of all the proposals. We'll issue the RFQ and the proposers will submit their proposals. There will be an initial screening, which is to check that they meet the minimum qualifications. If they do not meet those minimum qualifications, they're out. Next, a panel of subject-matter experts will be empanelled to review the written proposals. They will score each of those on a scale of 1 to 100; they will need to score a minimum of 70 to advance to the next process, the oral interview.

If we have more than six proposers that score 70, then we will only take the top six that will go to oral interviews. The same panel will then conduct the oral interviews and they will receive a score. From that score, they will be ranked and we will sit down with the top three and negotiate the contract with them.

After Port Commission's approval to issue the RFQ today, the next step will be the Civil Service Commission, which is scheduled for June 3, 2013. Once the Civil Service Commission approval is granted, we will issue the RFQ probably the next day. Submissions will be due in July and then selection process, which includes reviewing the minimum qualifications, reviewing the written and scoring the written, and then the oral interview will take place in July. We will come back to the Commission in August, after we finalize negotiations with them for authorization to award the contracts. We expect the new contracts to be in place by September.

Commissioner Murphy - Do we have in-house environmental people to do a study now; if so, how many people do we have?

Andres Acevedo - We have an environmental staff of six. Because we are looking for specific skills and expertise that we don't have in-house and that either doesn't exist elsewhere in the City or, if it does, there's such demand for it that we couldn't get it in a timely fashion. We use these contracts for things that we need a quick response to.

Commissioner Murphy - I know, with the Planning Department, it takes forever to get these environmental done, years sometimes. Provided you picked the proper company and you do all the vetting on that, would you put a turnaround time on that for them to come up with a report?

Andres Acevedo - It depends on the project. When we start the Contract Service Order process, we'll specify that in terms of how quickly we need a response on the project. It depends on the scope of the particular process.

Monique Moyer - The types of environmental contracts that we're doing are not for EIRs; they're for environmental surveys of our properties, our potential cleanups, things like that. I believe that when we have a project that needs an EIR, the project sponsor works with the Department of City Planning on that; we do not pick the consultant ourselves. This pool is unrelated to an EIR. Carol Bach can give a few examples of the types of work that we need to do.

Commissioner Woo Ho - Is this a renewal of something that we've done in the past or is this a brand new selection process?

Carol Bach, environmental and regulatory affairs manager in Planning and Development Division - This is not exactly a straight-up renewal, but it's a repeat solicitation process. We have had a pool of as-needed environmental consultants available to the Port's in-house environmental staff for as long as I've been here. We have to redo this process every 3 to 4 years and we get a new pool of three firms to work with.

As Andres explained, the kinds of services that we need, because of the wide range of activities that go on at the Port, there are very specific specialties that you may need only once every three years, but it's something that only a few people can do. Some examples are underwater sound monitoring during pile driving, which is a highly technical, specialized type of sound monitoring. We have to do marine mammal monitoring during pile driving. In almost all of our projects, we need certain types of construction inspection and monitoring during construction to ensure environmental compliance with regulations. For example, dust monitoring, you need certain types of instrumentation to collect ambient dust during construction activities to comply with the City's health code. There's a broad range. Many of our projects that involve construction require characterization of the soil that will be disturbed during construction to identify potential contaminants. We need consultants and laboratories that have the equipment and ability to do that.

Commissioner Murphy - So these contracts would be used during the course of construction?

Carol Bach - Yes, we would use the services during construction in many cases.

Commissioner Woo Ho - Given that we have been hearing about some of our other litigation issues where we've had some issues not necessarily with any of

the consultants that do this kind of work. I notice that references are discussed in the oral interview. It would seem to me that maybe in the initial side that you would want to get satisfactory references, whether they work with other City departments or private agencies, so that we have a sense of satisfactory performance with the City or other parties as part of the selection criteria.

Andres Acevedo - We do review that. It does come in during the final phase in terms of when we go through the oral phase. We're following the standard City policies and procedures.

Commissioner Woo Ho - Which means you only do it at the end, versus asking them to provide some information about references up front?

Andres Acevedo - We do it at the beginning of the oral interview phase, so that's when it's scored within those phases.

Commissioner Woo Ho - Is that mandated by City policy, or something that we have some discretion so that we can exercise judgment in terms of how we want the process?

Elaine Forbes - It is not mandated. We have discretion about how we treat references. There are two ways to go about reference checks. One is to treat them as sort of in the process of minimum qualification review, wherein you administratively score whether the firms can advance to the oral interviews. Or, alternatively, to have administrative staff perform the reference checks and provide that information to the panel so they can score it and use it in the scoring evaluation. I prefer the latter and that is how this plan is structured. Administrative staff will perform the reference checks and provide that information to the panel so that they can use that material in their evaluation.

Commissioner Woo Ho - In that administrative review or reference checks, not that we want to go through the details of what you're going to do, but it seems that we've learned a lot of experience from our previous issues, and we'd want to make sure that we understand because this is not related to technical skill. They may have the technical skill, but we have other issues in terms of how they perform or whether they're on time, on budget, in addition to how they interpret contracts. That's something we need to keep learning from so we get smarter about it.

Elaine Forbes – Absolutely, and one way we could be responsive to your recommendation is to ask specifically for reference checks that include a reference from another municipality or government agency. We can learn about their performance for another public entity, and we can add that to the requirements.

Commissioner Brandon - What are the minimum qualifications?

Andres Acevedo - What I can share with you is the minimum qualifications from the last contract, which we are in the process of reviewing, but probably will use most of the same ones. We're sitting down with staff, looking and seeing if we are going to change these. It requires that the prime consultant or the lead Joint Venture partner has at least seven years of experience providing environmental consulting services. That the key professional personnel in the teams possess appropriate State of California or other required licenses. Identify a single project manager or program manager as the primary point of contact for the Port. They demonstrate knowledge of current local, state, and federal regulations, demonstrate experience in successful dealing with regulatory and/or personnel within a variety of regulatory agencies that would impact the Port, such as BCDC, Fish and Game, the various California Air and Water Resource Boards.

Commissioner Woo Ho - Could I suggest and probably it's abundance of caution here, but given what we've been experiencing lately, is it possible that we could also ask whoever bids on it to disclose whether they are either the plaintiff or defendant in any litigation?

Andres Acevedo - Yes, we can certainly add that as a minimum qualification, as one of the requirements.

Monique Moyer - How would you score it? There's a difference between asking for it and then scoring for it. I think the City has a rule about that.

Elaine Forbes - We can certainly ask for that information to be disclosed. We have on other procurements, and we would not score it, but we would get that information as advisory.

Commissioner Murphy - I assume all these studies are for development projects. Who pays for them? Is it the developer or the Port? And what kind of projects are they?

Andres Acevedo - These aren't just for development projects. They could be if we are just doing a standard construction project and we find there might be hydrocarbons in the soil; we might have someone come out and test there. If we're doing certain work, like driving piles out at one of the piers for repair, we need to monitor the sound so we're not disturbing the marine mammals, etc. If we're going to be doing roof work, we need to inspect to make sure that there are no nesting birds out there that are covered by international treaties, or, if there are, we need to get a plan to remove them. Some of them could be related to preliminary development work.

Carol Bach - The developer performs that work themselves so these would all be for our own account.

Commissioner Katz - One thing I've noted, we have the 22 percent LBE sub-consulting goal. But given the relatively small size of these contracts, this really is an opportunity for some smaller businesses to get a foothold in performing this

kind of work. I know that 22 percent is our goal, but I would like to just say it would be nice if we could encourage whoever responds, as well as whoever eventually wins the contract, to consider expanding opportunities to bring in businesses so they can sort of build up their resume, so to speak, for this kind of work. But these really are the size contracts that enable that to happen.

Andres Acevedo - Yes, Commissioner.

Commissioner Brandon - I know that the respondents will receive incentive credit for naming LBEs, but what are we doing to know that they are actually hiring LBEs and meeting the goals?

Andres Acevedo - We monitor them on a quarterly basis, based on their billing. They have to report that with every invoice and we monitor it on a quarterly basis. We also require as part of the Contract Service Order (CSO) process, that they identify all the subs, and we identify who of those subs are LBEs. When I sign off on a CSO, I'm looking at how much LBE credit they've done, how much LBE they're putting on that particular CSO. Each time we ask them to work, we issue a Contract Service Order and that's kind of the process we go through on that process. One of the things that I'm looking at and if I'm not around, Finbar Jewel, our representative from the Contract Monitoring Division, which used to be Human Rights Commission, will be reviewing those as well as they go out.

Commissioner Brandon - I think that's great, but what I'm trying to get at is I think we do a great job of monitoring and hoping to make sure that they meet and exceed the goals, but sometimes they don't. I want to make sure that we're not continually giving firms the opportunity who are not meeting our goals. I don't know if there's any way to do that in this process.

Andres Acevedo - It's something we can look at.

Elaine Forbes - When the respondents come in with their proposals, they will have a team of identified LBE sub-consultants. Contract Monitoring Division will see that they are responsive to the 22 percent goal, which is a requirement. Upon entering into contract, they will have that identified team of LBEs that will be working with them on the different scopes of services over the term of the overall contract. Then as each Contract Service Order or scope of work is executed, we'll be looking to see that participation throughout. So they are not responsive if they do not come in with a way to meet that 22 percent sub-consulting goal for local business enterprises.

Commissioner Woo Ho - Carol mentioned obviously sometimes you have very specific environmental consulting needs. Since the contract is for three firms, how competitive is this field? There are perhaps 50 firms in the Bay Area but you end up selecting three. It sounds like you award the contract to some sort of master. And then if they have to go out and get the specific expertise that Carol mentioned in the example, they then have to subcontract out to somebody else that specializes in that type of environmental assessment analysis. I'm trying to

get a sense of in the past, what was the response rate? Is this a very wide field, very competitive, or is there's only ten firms out there?

Carol Bach - These contracts tend to be very attractive contract opportunities for environmental consultants. Environmental consulting in the Bay Area is extremely competitive and many environmental consultants like to work for government agencies, and particularly for the Port of San Francisco, because they consider our projects sort of hallmark projects and very visible and they like to have their name and expertise attached to the kind of work that we do here. It does tend to be very competitive. The last time we did this, which was four years ago, we probably had a dozen or more respondents for the pool of three.

Commissioner Woo Ho - They have to have general capabilities and then they would then, if necessary, be able to subcontract out.

Carol Bach – That's correct. As Elaine mentioned, they identify those subcontractors up front. It's not like you just contract with the prime and then they go out and find somebody. They have to bring their whole team to the table during the selection process.

Commissioner Woo Ho - So you outline to them, the kinds of things that you are looking at now such as your inventory of needs at the moment.

Carol Bach - Exactly right.

10. FINANCE AND ADMINISTRATION

A. Informational presentation on Projected Port Revenues from the James R. Herman Cruise Terminal Operations.

Elaine Forbes, deputy director of administration and finance - I'm joined by Nate Cruz, who is one of our financial analysts, Peter Dailey and John Davey of the Maritime Division and John Doll from Planning. The three of them really make up the team for the Pier 27 Cruise Ship Terminal.

As the Commission is aware, the first phase of construction of the James R. Herman Cruise Terminal Project is complete and the America's Cup Event Authority is using the facility for the America's Cup Village. Phase Two of the project includes a build out of security offices, a mechanized gangway, and other maritime improvements.

The building is 990,000 square feet. It has a premium upstairs space and a downstairs space over two floors. It has the ground transportation area of approximately 400 parking spaces. And we now have a 2.5-acre public park thanks to the San Francisco voters, provisioning areas, security gates, and a public access area.

The reason I am here today is to give the Port Commission an understanding of potential Port revenues from the site and the factors that will drive Port revenues up and down. This is in preparation for the Port Commission's consideration of a management agreement in the summer. Just for Commissioner Murphy, for your information, the Port staff has issued a Request for Proposals in January of this year. We will be having an informational presentation from the two respondents; that's scheduled for May 14, 2013. Port staff will come back to the Commission with a request to negotiate a management agreement with the highest ranked proposer from a panel process on May 28, 2013.

For operational and security reasons, special events and cruises cannot be held at the same time. You will see throughout this presentation that maximizing those two uses is the key to increasing Port revenues. Both of these kinds of events also require advanced bookings, often up to one a year.

Starting with cruise calls, the assumptions for estimating the revenues in your report. First is that the operator will pay the Port a terminal operating fee, which is for the exclusive right to the stevedoring services. The operator will then collect fees for service from the cruise line. We will collect wharfage, dockage, and a passenger facility charge directly from the cruise lines. The terminal operating fee will represent a fair profit sharing between the terminal operator and the Port for the earnings that they receive from the cruise lines.

We've presented two scenarios here; a low scenario of what the facility could earn and the high scenario. On the low scenario, we're anticipating 66 cruise calls. On the high scenario, 80 cruise calls. In both instances, 80 percent of those are at Pier 27 and 20 percent are at the secondary cruise ship facilities, Piers 30, 32, or 35. In terms of how aggressive this is, the average for the last 10 years has been 68 cruise calls to the Port. You can see it's a little above the low. We had a high of 98 in fiscal year 2005/2006 and we have very strong bookings for next year, so I would say that those are conservative, reasonable estimate, but not at all aggressive on the high side.

In terms of passenger volume, we assume 209,000 passengers in the low and 253,000 in the high. The passenger facility charge (PFC), we're looking at a rate of \$5 as an additional passenger charge to our existing \$12 per head charge, and \$6 at the high. The Port Commission will be determining the actual PFC.

Some cruise revenues that the lines will pay the Port range from \$3.1 million to almost \$4 million annually. The passenger facility and wharfage charge, they're both per-passenger charges, and we will see that they are driven by the number of passengers on the ship. Dockage charges, which represent a much smaller share of the revenue, is driven by the number of ships that call. So the trend of the lines to have larger volumes of passengers on the ships actually directly improves Port revenues.

We have long considered the new facility to have a secondary use of special events because we've understood that the facility will not be used for the 365

days a year for cruise and cruise calls. It's really a tremendous space for special events.

To get a sense of what we would earn, we looked at a 2009 AECOM report that was produced specifically to analyze what the Port could earn from special events and parking, and updated their assumptions of what the rates would be for the facility. We assumed a 52 percent occupancy rate for special events, meaning that days that are available for special events are booked 52 percent of the time. This is what AECOM used. We looked at other facilities, for example, Moscone and see that's a lot utilization rate. Their low is about 65 percent. But remembering that our other use is cruise, so AECOM had a reason for reducing that a bit.

Commissioner Woo Ho - Can you translate that to number of days or number of events?

Elaine Forbes - The average event is 1.5 days. On the low scenario, special events are taking up 107 days. Not rented as 100 days. We assume that of the rental fees the operator earns 72 percent of those earnings would flow directly to the Port. We assume that's because we learned in looking at other models that there are other ways to earn revenues from special events, organizing the catering services, organizing other types of services. For example, at Treasure Island they can profit directly from that. Then we discounted what it would cost to manage the special events, which is in the AECOM report. What we will actually earn from special events is subject to negotiation, of course, but this, we felt, was a good estimate. We had a lot of experience with parking and we estimate that 60 percent of post-tax parking revenue are paid directly to the Port.

On the parking and special events, on the low side we're looking to earn almost \$2 million. On the high side, the estimate goes down to \$1.7. And you'll see it's because cruise calls go up, so the number of available days for renting the space for special events declines. On the low side, as a proportion of what's cruise and special events, 43 percent is cruise or turn days, and 57 percent is special events, rented and unrented. On the high side, it shifts up 53 percent is cruise calls, 47 percent special events.

Because of the planned per-passenger charge and the volume of passengers that will be coming into San Francisco, cruise earns more in net marginal revenue than does special events and parking. The average cruise call with a three-day turn earns about \$19,000 per day. The average special earns \$15,000 a day. The report says that, as is the plan for this building to function as a primary cruise ship terminal, if you were just making a purely economic decision, you would also first maximize cruise calls at this facility and then maximize the number of days available for special events and parking.

The whole estimate not only looks at total revenue, but also net revenues to the Port. The difference between the low scenario and the high scenario is the high scenario increases the number of cruise calls, as we've discussed, it increases

the passenger facility charge, it increases the terminal operator fee that will be paid to the Port for the exclusive rights for the Stevedoring services, and it increases security costs, because there's a marginal cost associated with ship calls. There's a reduction in maintenance costs and there's a reduction in parking and special event revenues.

Looking at all revenues, minus the new maintenance obligation, the operator is anticipated to pay the Port between \$1.2 million and \$1.5 million. The cruise lines anticipated to pay the Port between \$3.1 million and \$4 million, for total Port revenues of \$4.3 to \$5.4 million.

We have debt service associated with the facility totaling \$3.5 million, which doesn't change regardless of the share of cruise calls to special events. We have dredging, which also is fixed in terms of what we're using the facility for, and security costs. So we're looking on the low side of a subsidy of \$611,000 annually to the facility, and on the high side, a profit of \$528,000 annually.

We've been talking about utilization of the facility. In the high scenario, actually more than 50 percent of the days are not actively used. We'll see not rented is 27 percent of days, special events 29 percent of days, turns taking up 30 percent of days, and cruise calls at 14 percent and that assumes a three-day turn.

Getting more active days in the facility is critical to increasing Port revenues. The report looks at different options. One is decreasing the turn time for cruise calls from three to two-and-a-half days and another is increasing the special event occupancy from 52 percent to 65 percent. You'll see that the low scenario goes from a subsidy of \$611,000 to a small profit of \$21,000 if both the turn days are decreased and the occupancy goes up. The high scenario goes from \$528,000 to a profit of \$1.2 million if both improvements are achieved.

The reason for this is as the turn days go down and as occupancy goes up, there are more special events in the facility under both scenarios. This chart shows moving from 41 to 62 special events in the high scenario, 49 to 70 special events in the low scenario.

The positive impacts to Port revenue, above and beyond what's assumed here, are the shorter turnaround times, a strategic plan for utilizing secondary berths, higher utilization rates on non-vessel and turn days, expanded special events and parking areas, and efficiencies in operations that reduce costs. For modeling purposes, we looked at renting out the building for one event at a time, not two events booked potentially in the building. We didn't look at renting out that GTA or the provisioning area, so we have a conservative look at what's possible. Any expansions in space or multiple events will increase revenues to the Port.

On the negative side, any reductions in our assumptions of cruise passengers, we earn quite a lot from our planned passenger facility charge and our existing

\$12 per head fee would have a negative impact on revenues. Any restrictions on parking would reduce our Port revenue, and higher than anticipated maintenance costs and utilization less than 52 percent for special events would also negatively impact Port revenue.

In preparation for contract negotiations, Port staff we are now reviewing the structure of terminal operator agreements at other ports. We're looking to maximize feasible payments to the Port of San Francisco. We're deeply analyzing the site building equipment and maintenance costs and repair costs. We're looking to develop reporting requirements to ensure ongoing fair profit-sharing between the operator and the Port, and analyzing appropriate incentives for all the different business lines.

Commissioner Woo Ho - I want to thank Commissioner Brandon and Commissioner Adams who had a lot of interest in understanding how we were proceeding with this RFP, and that sort of has put the calendar for all of the things that Monique and Elaine have said in terms of our understanding as we go into the negotiations and selection process for the operator. We all wanted to get a better understanding since this is an exciting opportunity. I want to acknowledge the contributions of everybody and particularly Elaine's done a great job with her staff in terms of giving us this presentation. I wanted to make that preface first and let the Commissioners ask any questions so that we can be in a better position, both as staff as well as Commission, to decide how we proceed forward for the benefit of the public and for the Port.

Commissioner Katz - We touched on the operator being able to manage the turnaround time. What kind of things would that entail? Would there be any added costs to expediting the turnaround time? We had from three days to two-and-a-half.

Peter Dailey - Great question. The idea is how fast we can get the ship out of there so we can get the special event in there. Special event usage of the cruise terminal is a relatively new occurrence in North America. We hear examples of people having ships sail in the afternoon and actually having events that evening. It's our goal. Elaine said we had very conservative estimates and assumptions in our modeling, that as we get in there and get operating, we try to maximize the turnaround as quick as we possibly can. We'd like to have the event the afternoon or the evening after the ship sails at 4 p.m., work like heck, and get the place turned around and get it making more revenue.

Commissioner Katz - It's my back-of-the-napkin calculation. It looks like we'll make more revenue from events if we do it right than the passenger facility charges.

Peter Dailey - My own goal is to have as many ships there as we possibly can and I hope 365 days a year there's a big ship sitting there but that's my own goal.

Commissioner Katz - Along that line, how far in advance do the cruise lines notify us that they'll be coming? Because I know that will be a problem for some event planners.

Peter Dailey - The good news is we usually have 90 percent of our calls booked in at least a year in advance. We're already getting our calls for 2014. As Elaine mentioned, our 2014 bookings look very strong; near record levels of passengers. There are always changes to that due to weather or whatever, but generally speaking, we know well in advance to plan around when the ships are going to be coming into San Francisco.

Commissioner Katz - It's my understanding from Executive Director Moyer that the folks around the world have become pretty well aware of our new terminal here. I don't know how much marketing we've been doing; I'm sure some, but. . .

Peter Dailey - Ironically, the Port is hosting in this room tomorrow the American Association of Port Authorities biannual cruise conference. We're having cruise executives from around the world and cruise ports from North and South America are going to be here to take a tour of our facility and talk about San Francisco as a market. We're aggressively marketing it worldwide with some good success.

Leslie Katz - Great, thank you.

Commissioner Murphy - I'd like to know what kind of events we're going to have when there are no ships there.

Elaine Forbes - We can have a variety of special events, from weddings to parties to convention-type events. I don't know if you've been in the building, Commissioner Murphy, but the facility is absolutely beautiful for parties and celebratory events, but also could be used for more educational or conferences, etc. There are flexible spaces; the upstairs is very different and will be priced very differently than the downstairs area. I can see lots of different types of events. There could be concerts on the tip, should that be allowable, and outside and indoor space for celebratory events.

Commissioner Murphy - I'd like to see it sometime soon.

Commissioner Woo Ho - Whoever submits their bid, they will be managing the events; we will not be doing that directly. So it is part of the proposal of whoever is selected as the terminal operator. It will be very important for us to understand how they plan to partner or what in-house capability they have to manage events in addition to actually being the terminal operator. I wanted to mention, because I think it's great that we've looked at both the low side and the high side, but personally and Elaine knows this that it's important for us to aim for the fact that we want to have the ability to create a breakeven or better. We need the surplus because there will be ongoing maintenance and capital maintenance for this facility, as well as the fact that the Port needs the bottom line to support all the

other piers in the portfolio and in order for us to be able to generate capital. That's a very important objective, and that should be kept in mind as we work with these various drivers that we have now pointed out to us, so that we understand, as far as the utilization and how the event pricing is going to be done in addition to how the facility charge is going to work and is going to be sort of a balance dynamic. Whatever has been presented here is certainly not the end-all and be-all in terms of whatever the operator that's chosen that should look at this, this is not cast in stone. It is giving us very good guidance on what are the drivers and how to balance those drivers to achieve the objective that we do want to make this a positive in terms of a positive bottom line for the Port for multiple reasons that I just mentioned.

A couple of things in terms of peeling the onion, I think planning is critical and it's good to know that the cruise ships do plan way in advance because to know the cruise ships what day of the week are they going to be here. While we've assumed the occupancy for special events, but if it turns out that has a clash with when all the events are going to be in the building and that's peeling the onion and it's going further down the line, but that's something we want to understand. If Peter says we're successful in doing a 4 p.m. sail and 6 p.m. event, that'd be great, but if we don't find out that what we thought was a great opportunity, but it happens that they clash and want the facility on the same day, then our assumptions are going to be off. That's something we need to keep peeling the onion to understand.

The other part is in the turnaround, and we've discussed this a little bit. It seems to me, having been on cruises, if you are departing, it's a lot simpler to turn the ship around. Well, not totally, because they have to provision. But it's more complicated if you are the embarkation point and you have to go through customers and immigration. It just takes more time to get the passengers off, etc. Whether we are the interim stop, whether we're the arrival, or the departure, is going to make a difference in terms of how utilization is going to work, in addition to the normal infrastructure that's required for a cruise ship stopover. It would be interesting if we can manage to have multiple events at the same time.

I'm sure that your panel will be evaluating the special events marketing carefully and how they end up reaching out. Is it just the corporate sector? Are they going to go to the personal consumer market for weddings and other private affairs? Because the way the space is designed, Stanley Gatti, being one of the premier party planners in the City, would love it because it's open space and you could do anything inside. I don't know what the final improvements will look like but that's the kind of stuff that they love because they can bring in all their own decorations and etc. That would be a great facility for a lot of different things and I could see that becoming a great venue, particularly with the views of the Bay.

We appreciate this as the first step for us all to understand how this cruise ship can be an asset for the Port and what the drivers are so that we're all on the same page as you evaluate who is going to provide us the operator and that the operator understands that these are the drivers that we are sensitive to and that

we'd like to hear how they're going to respond in negotiations in addition to their qualifications going forward.

To address the issues or questions that Commissioners Adams and Brandon have brought up, there will be an adequate process here to address understanding all of the things that we are interested in going forward before the final selection negotiations take place and the guidance that we can give you from the Commission side.

Commissioner Adams - Following up on Commissioner Woo Ho, in this RFP process in selecting the terminal operator, how many is it and would they appear in front of this Commission? If we've got questions and public comment and things like that, is that how it's going to take place?

Elaine Forbes - No. This procurement is under Chapter 21, so the way that Chapter 21 works is once you go out for public procurement it's a fair and competitive process. The decision is left to a group of empanelled experts that are free of conflict. The panelists who have experience in special events, with cruise operations, financial expertise, will review the respondents, will do written interviews and oral interviews. The way we have staged this process for the selection, both the respondents will be coming before the Port Commission for a purely informational presentation so the Port Commission has the opportunity to hear their qualifications and their business plan. The panel will be making a recommendation to Port staff about who is the preferred respondent, following this fair and competitive selection process. Port staff will come to the Port Commission and say, "The panel recommends firm X. Do we have concurrence and approval to negotiate with firm X?" At that point, we may be discussing business terms, you may give us directions on business terms. We will come back with a proposed contract, management agreement with the highest-ranked respondent, and the Commission at that point can approve, recommend modifications, or reject the terminal management agreement.

Commissioner Adams - I just wanted to know if there will be public comment when they come to the Commission.

Elaine Forbes - The public is absolutely welcome to comment

Commissioner Adams – It's good to know that the public will have an opportunity to comment because staff does all this, but the Commission doesn't have a lot of say until it gets here. I'd like to see a more hands-on process because we need to be somewhat more involved and I'd like to know all the steps that are involved. We just did the same thing not long ago. We asked to have more that we could know about what's really going on and what will work. Because you may make a recommendation that we may not agree with.

Monique Moyer - This is a particular type of contract that under the procurement process, you as a Commission get to vote yes or no. We have taken the liberty of asking the bidders to come to our May 14, 2013 meeting so you can see who

they are. Every item that comes before the Port Commission in open session has public comment. We get to comment. But those comments won't be taken back to the panelists to affect their scoring; the scoring will have had to happen independently, per the City's Administrative Code. As Elaine was explaining, it will come back to you several different times. They'll make the presentation on May 14, 2013. Then we will come and tell you what the panel recommended; you can vote yes or no after you've heard public comment. Then if you vote yes and you give us the opportunity to negotiate, then we would come back with a proposed contract. Again you can vote yes or no after you've heard public comment. At any point in time, you could vote no and we could start the process again.

Commissioner Woo Ho - The purpose of having the presentation today was to at least inform all of us of what the key factors are in terms of operating a cruise ship terminal. The questions that the panel may ask, even though we're not asking the questions or evaluating the answers, they could be guided by some of the drivers that are obviously contained in this presentation. That is the way that we are providing guidance to the panel.

Monique Moyer - You're very welcome. For the benefit of the public, there are two processes that are codified in the City's Administrative Code. The one we just described is for professional services contracts. Some we talked about are on the previous item. There's a different type that affects our real estate and development projects and in those, the Commission gets to be more involved and more hands-on. We need to, as we bring you items, be more clear as to which one they are going forward but this one is under the professional services and you get to vote yes or no.

Commissioner Brandon - I think what I hear Commissioner Adams asking is to be more a part of the process, meaning when we vote yes or no, having the same information that the panel and everyone else has in order to make that decision. So more in having that informational presentation or doing whatever we need to do to get the same information the panel has to understand what the decision's being based on.

Monique Moyer - We'd be happy to do that. There isn't anything that's privileged, is there?

Commissioner Woo Ho - When you finally come to us for approval, in that presentation you would be going through in more depth of how the panel scored.

Elaine Forbes - Absolutely, and as is our standard practice when we come for contract approval and you've been very good, Commissioner Brandon, about reminding us that we show the average scores of the panelists so you can see the relative strengths and weaknesses by the criteria that was outlined in that RFP. We summarize the panel notes, so what they felt were the key strengths, so you have all that information in making your determination. You'll also have the benefit of that informational presentation from both respondents, so you will

have an opportunity to see them first-hand. In many ways, you will see very much of what the panel saw. The difference is you will have a summary of their questions which they are asking both sets in the oral interviews.

Commissioner Katz - In terms of the respondents, it seems like there are two very different kinds of roles, one managing for cruises and one handling events. Admittedly I probably know a bit more about event management but they're very different roles. Are the respondents doing any kind of joint venturing with any entities?

Elaine Forbes - If it would be okay with you, I would prefer to leave that for their presentation, which is coming up on May 14th, because I am not party to the panel and should not respond to that particular question. I did want to comment about what you were saying, President Woo Ho, regarding Port revenues. We definitely set this as just an estimate of highs and lows and we will be working in the negotiation process absolutely to maximize our earnings, looking for our profitable outcome. As Peter Dailey mentioned, the concept of same-day cruise call and event would be a game changer. As you see in our estimates just moving from 52 to 65 percent utilization increases Port revenues about \$300,000 between the scenarios. The ability to maximize utilization of the facility really will change the picture.

Commissioner Woo Ho - For the record, it's important for us to recognize that we should not just be looking at the Port revenues. Obviously with cruise calls and 254,000 or 300,000 passengers, the City benefits in terms of the money that will be spent either in hotel, restaurants, retail and that's the added value of what we're not recognizing directly here, but indirectly. If you have special events, people are also spending money on catering and etc. There is money that is going into the local economy. On the other hand, we do need to make sure we're looking at it just from the standpoint of what the Port needs to sustain itself and recognize that the added benefit of tourism for the City is also another benefit that is very valuable and we certainly want to do our part in contributing to that for the City of San Francisco.

Commissioner Katz – And to some of our tenants along the waterfront, the new restaurants we have.

11. NEW BUSINESS

12. PUBLIC COMMENT

Ed Ferris - I am the secretary-treasurer of ILWU Local 10. I consider it a personal privilege having the opportunity to address all of you today. I'm thrilled to see that organized labor is being celebrated and recognized on all these wonderful banners and pylons for the 150th anniversary of the Port of San Francisco. However, as a working-class union man, I would actually prefer the recognition of traditional longshore work to occur on the San Francisco waterfront. The ILWU family of locals have worked many San Francisco docks and piers since the early 1930s. We take

great pride in the work we perform on these docks and we do not tolerate infringement of our traditional work lightly. I'm quite concerned about some recent violations to this ILWU traditional work. These violations have occurred during recent America's Cup preparation work, in which several cargo containers have been lifted, moved, and positioned without any ILWU labor. This is totally unacceptable. We've met several times with America's Cup representatives and Port staff on this matter and it has yet to be resolved. It's a shame that we're able to resolve a similar dispute with Team New Zealand in one meeting. My personal patience regarding this matter is running out. I'm also very concerned about the foreign crew members performing traditional longshore work during cruise ship operations. This has happened several times at Pier 35 and it needs to stop. The ILWU is not seeking to perform work that we haven't historically performed. Whatever terminal operator secures the stevedoring contract for the new James R. Herman cruise ship terminal must recognize the ILWU's great contributions to the Port of San Francisco and allow longshoremen to perform longshore work. After 79 years of quality service, it's the least they can do.

David Hill - I'm the Vice President of ILWU Ship Clerks Local 34. I'm speaking here today as a direct representative for the president of Local 34, Sean Farley, who is unable to attend today's meeting, and on behalf of our members. For the last 18 months, Local 34 has actively participated in talks with America's Cup concerning the use of ILWU labor to operate the handling, loading, and discharging of America's Cup-related cargo. The net result of those talks being a letter of intent signed by Ian Murray, CEO of America's Cup Race Management, that shows negotiations to contract with a company to provide stevedoring services for America's Cup as well as verbal agreements between the ILWU, Port of San Francisco, and, Bob Billingham, of America's Cup, and Metro Stevedoring to contract the ILWU labor used at San Francisco Piers. Local 34 is well aware that a verbal agreement is as legally binding as a written contract and that Piers 80, 30-32, and Piers 27 are still owned and controlled by the Port of San Francisco, whether they are leased or not, and they have an agreement in place with Metro Stevedoring to use ILWU labor. We are all bound to honor that agreement. The ILWU sees no need for further disrespect by allowing Port Director Peter Dailey to complicate matters by instructing America's Cup that the use of ILWU labor is just an option. We are not just an option. ILWU Local 34 asks the Commission to direct Metro Stevedoring, whom the Port of San Francisco contracts with, to honor their own agreement with the ILWU and hire the proper men that is contractually called for. We also ask that you direct Mr. Peter Dailey to refrain from doing any more damage to the longstanding relationship that we have between Local 34 and the Port of San Francisco.

ACTION: Commissioner Brandon made a motion to adjourn open session and reconvene in closed session. Commissioner Katz seconded the motion.

At 4:55 p.m. the Commission withdrew to executive session.

13. ADJOURNMENT

ACTION: Commissioner Brandon made a motion to adjourn closed session and reconvene in open session. Commissioner Katz seconded the motion.

At 5:10 p.m., the Commission reconvened in open session.

Commissioner Adams - Executive Director Moyer, we heard some comments during the public comment period that were very disturbing to me. I would like for you to look into finding out what are the issues between the America's Cup, Metro, and ILWU Local 10. One thing that we don't need is any labor issues. We've had a great relationship with the ILWU and the Port of San Francisco. Clearly there are some issues there. The management teams will be coming to the Port Commission to talk about the new \$120 million cruise terminal and we don't need any problems. I'd like for you to report back to the Commission at the next Commission meeting and hopefully there can be some kind of a resolve.

Monique Moyer - We are meeting with them regularly, as I think you know, but would be happy to report back.

Commissioner Adams - I am aware of that but I would like to know that there's going to be some kind of a resolve. I know that you can't force it.

Monique Moyer - I'm not sure what you're asking me to do, but I'm letting you know that, as you know, and the way that the issues with Team Emirates got resolved was from the Port being extremely generous and proactive and we're certainly doing our best.

Commissioner Adams - Clearly there are some problems with the ILWU and Metro.

Monique Moyer - I understand that Commissioner, very much so. I'm happy to report back. I'm cautious about promising something I can't deliver yet.

Commissioner Adams - Okay, thank you.

Action: Commissioner Murphy moved to adjourn the meeting; Commissioner Katz seconded the motion. All of the Commissioners were in favor.

Commission President Doreen Woo Ho adjourned the meeting at 5:15 p.m.

